

TOWN OF TELLURIDE, COLORADO

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2022

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Town Council
Town of Telluride, Colorado

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Telluride (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's, ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from



Honorable Mayor and Town Council
Town of Telluride, Colorado

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-14 and 49-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Honorable Mayor and Town Council
Town of Telluride, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying non-major governmental funds budget to actual schedules, the capital and debt service budget to actual schedules, the proprietary fund budgetary schedules, the combining statements for the general fund and THA, and the local highway finance report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the non-major governmental funds budget to actual schedules, the capital and debt service budget to actual schedules, the proprietary fund budgetary schedules, the combining statements for the general fund and THA, and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.
June 5, 2023

TOWN OF TELLURIDE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Required Supplementary Information

December 31, 2022

As management of the Town of Telluride, we offer readers the Town of Telluride's Financial Statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Telluride.

A. FINANCIAL HIGHLIGHTS

- Telluride's assets exceeded its liabilities by \$179,236,449 (i.e., net position) at the close of 2022 fiscal year, an increase of \$15,112,981 compared to 2021.
- Governmental funds reported combined ending fund balances of \$30,580,705 an increase of \$567,131 compared to 2021.
- Telluride's fund balance for the General Fund was \$9,120,457, a decrease of \$393,018 compared to 2021.
- Telluride's general fund balance includes a restricted three percent emergency reserve of \$970,588, as required by Colorado state statute (TABOR), assigned \$246,745 and the unassigned fund balance of \$7,903,124.
- The Town's General Fund policy, as stated in the 2022 budget, is to have a minimum fund balance equal to at least 35 percent of the General Fund appropriations net of transfers. The 35 percent includes the required three percent state mandated emergency reserve.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Telluride's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private sector business.

The government-wide financial statements use the accrual basis of accounting. Certain interfund activities including balances and transfers are eliminated in the government-wide financial statements.

The statement of net position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, culture and recreation, economic development, and debt service interest. The business-type activities include water, wastewater, parking and affordable housing activities.

The government-wide financial statements include only the Town itself (known as the primary government).

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The Town funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure and changes in fund

balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into the following major funds: General Fund; Capital Improvement Fund; Open Space Fund and Affordable Housing Fund. All non-major funds are combined as other governmental funds.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The enterprise funds are used to account for water and wastewater operations and parking infrastructure. The proprietary fund financial statements provide separate information for water, wastewater, parking, and housing operations, which are considered to be major funds.

An annual appropriated budget is adopted for all enterprise funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the close of 2022, total net position was \$179,236,449, an increase of \$15,112,981 from prior year. The largest portion of net position is the net investment in capital assets (net of related debt) of \$138,194,890. This amount reflects the investment in all capital assets (e.g., infrastructure, land, buildings, and equipment); less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business type net position for 2022 and 2021.

STATEMENT OF NET POSITION

Town of Telluride, Colorado
December 31, 2022
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 36,452,803	\$ 35,614,829	\$ 13,158,348	\$ 10,269,370	\$ 49,611,151	\$ 45,884,199
Capital assets	127,831,048	116,624,416	53,500,192	54,142,053	181,331,240	170,766,469
Other Assets	-	8,072,712	5,964,015	6,549,467	5,964,015	14,622,179
Total assets	164,283,851	160,311,957	72,622,555	70,960,890	236,906,406	231,272,847
Liabilities						
Current liabilities	5,713,694	5,211,291	3,593,925	3,853,147	9,307,619	9,064,438
Non-current Liabilities:						
Due within one year	404,701	374,380	43,751	41,251	448,452	415,631
Due in more than one year	18,352,310	26,227,314	27,385,106	29,354,227	45,737,416	55,581,541
Total liabilities	24,470,705	31,812,985	31,022,782	33,248,625	55,493,487	65,061,610
Deferred Inflows						
Property taxes	1,618,256	1,529,568	558,214	558,200	2,176,470	2,087,768
Total Deferred Inflows	1,618,256	1,529,568	558,214	558,200	2,176,470	2,087,768
Net Position:						
Net Investment in capital assets, net of related debt	107,894,940	89,133,552	30,039,860	29,362,063	137,934,800	118,495,615
Restricted	10,567,520	15,354,778	71,459	71,459	10,638,979	15,426,237
Unrestricted	19,732,430	22,481,073	13,430,240	7,720,543	33,162,670	30,201,616
Total net position	138,194,890	126,969,404	41,041,559	37,154,065	179,236,449	164,123,469

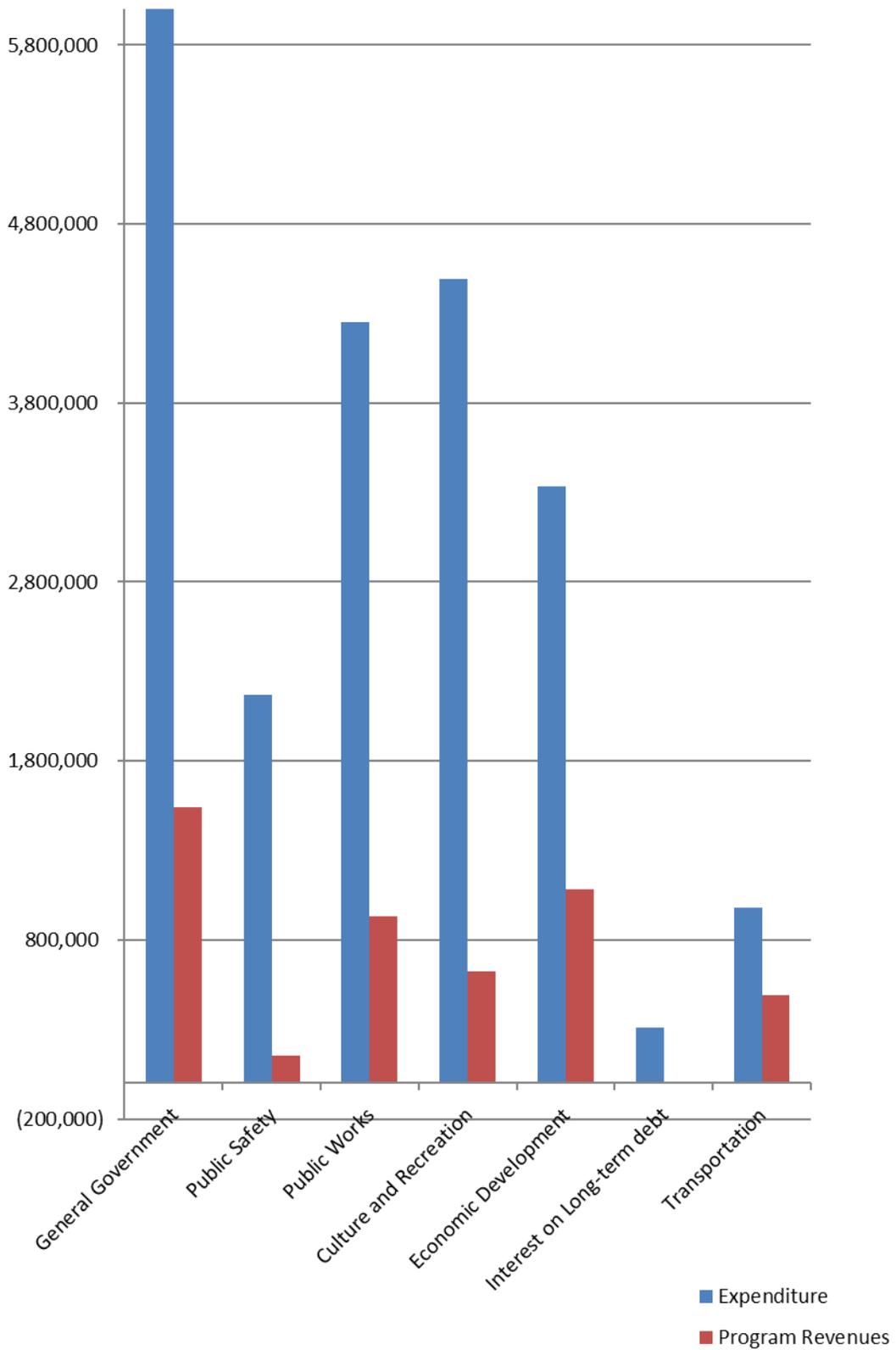
Changes in net position. Governmental and business-type activities increased the Town's net position by \$15,112,981 in 2022.

The Telluride Housing Authority (THA) provides housing for employees who work within the boundaries of the Telluride R-1 School District. This includes the Shandoka Apartments, Virginia Placer and Sunnyside units. THA is presented as a blended component unit because the members of the Town Council sit as the THA Board of Directors and the Town manages the property on behalf of THA. In recognizing the THA as a blended component unit.

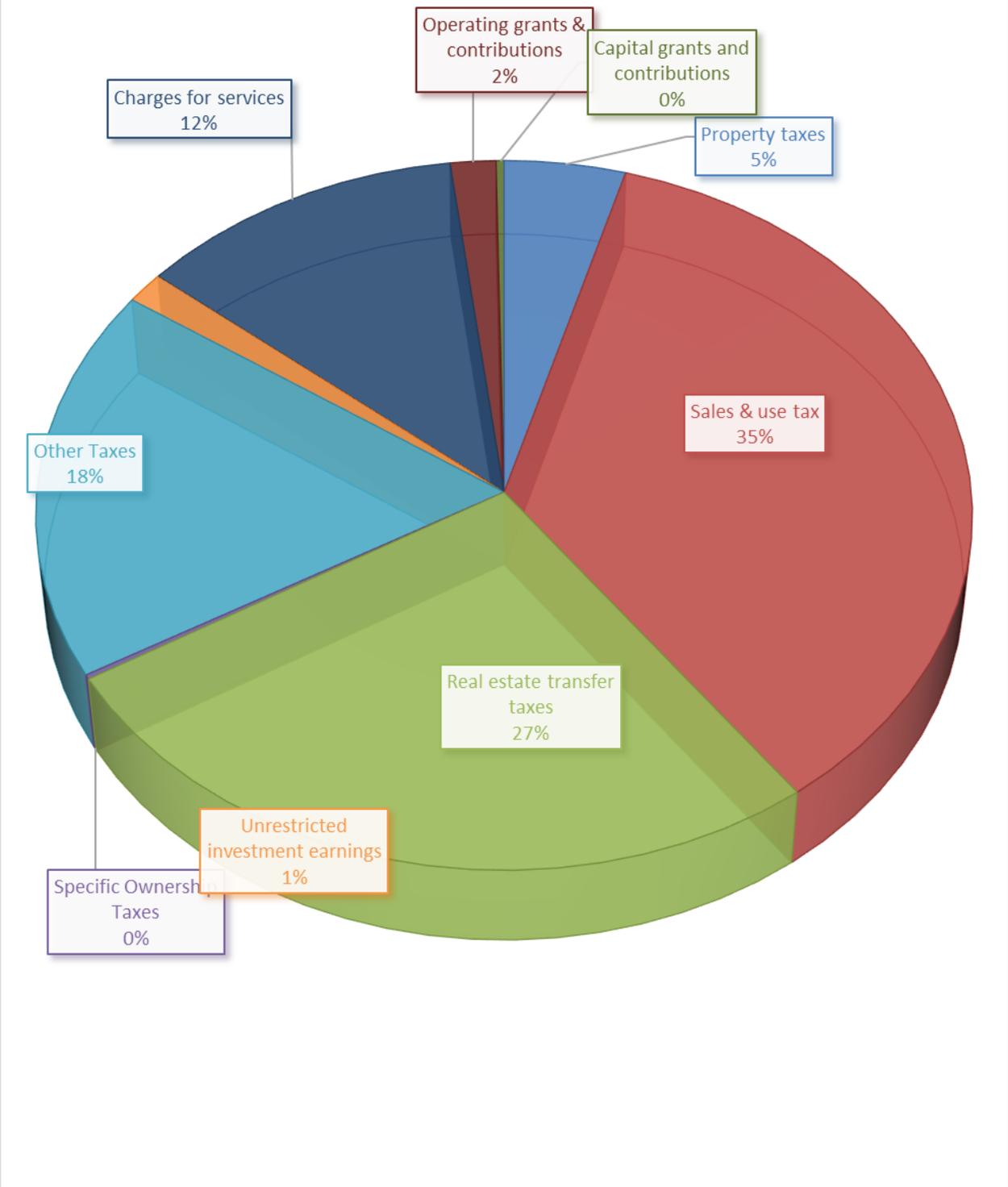
Town of Telluride, Colorado December 31, 2022					
Changes in Net Position					
	Governmental Activities		Business-type Activities		Total
	2022	2021	2022	2021	
REVENUES					
Program revenues					
Charges for services	\$ 4,147,624	\$ 3,403,920	\$ 8,178,511	\$ 7,148,456	\$ 12,326,135
Operating grants and contributions	576,987	896,694	762,034	882,213	1,339,021
Capital grants and contributions	100,776	667,402	210,000	-	310,776
General Revenues					
Property taxes	1,535,805	1,399,269	555,985	581,309	2,091,790
Other taxes	27,570,951	27,606,803	26,670	-	27,597,621
Grants and contributions not restricted to specific programs	-	-	-	-	-
Grants restricted to specific programs	585,706	94,782	796,464	813,707	1,382,170
Other	(757,884)	(3,084,714)	757,884	3,084,714	-
Debt	-	-	-	-	-
Transfers	-	-	-	-	-
Total revenues	33,759,965	30,984,156	11,287,548	12,510,399	45,047,513
EXPENSES					
General Government	7,000,081	5,841,047	901,680	806,657	7,901,761
Public Safety	2,169,307	1,836,277	-	-	2,169,307
Public Works	4,250,569	4,195,202	3,929,824	3,780,919	8,180,393
Culture and Recreation	4,490,995	4,180,689	-	-	4,490,995
Economic Development	3,331,418	2,068,198	-	-	3,331,418
Transportation	980,529	1,043,659	2,568,552	2,773,184	980,529
Housing	-	-	-	-	-
Interest on Long-term debt	311,578	548,105	-	-	311,578
Total Expenses	22,534,477	19,713,177	7,400,056	7,360,760	29,934,533
Change in net position	11,225,488	11,270,979	3,887,492	5,149,639	15,112,980
Beginning net position - previous reported	126,969,403	115,698,424	37,154,065	32,004,426	164,123,468
Prior Period Adjustments	-	-	-	-	-
Classification Adjustments	-	-	-	-	-
Net Position - beginning as restated	126,969,403	115,698,424	37,154,065	32,004,426	164,123,468
Ending net position	\$ 138,194,891	\$ 126,969,403	\$ 41,041,557	\$ 37,154,065	\$ 179,236,448

Governmental activities. Governmental activities increased Telluride's net position by \$11,225,487 thereby accounting for an increase in assets.

2022 Expense and Program Revenues Governmental Activities

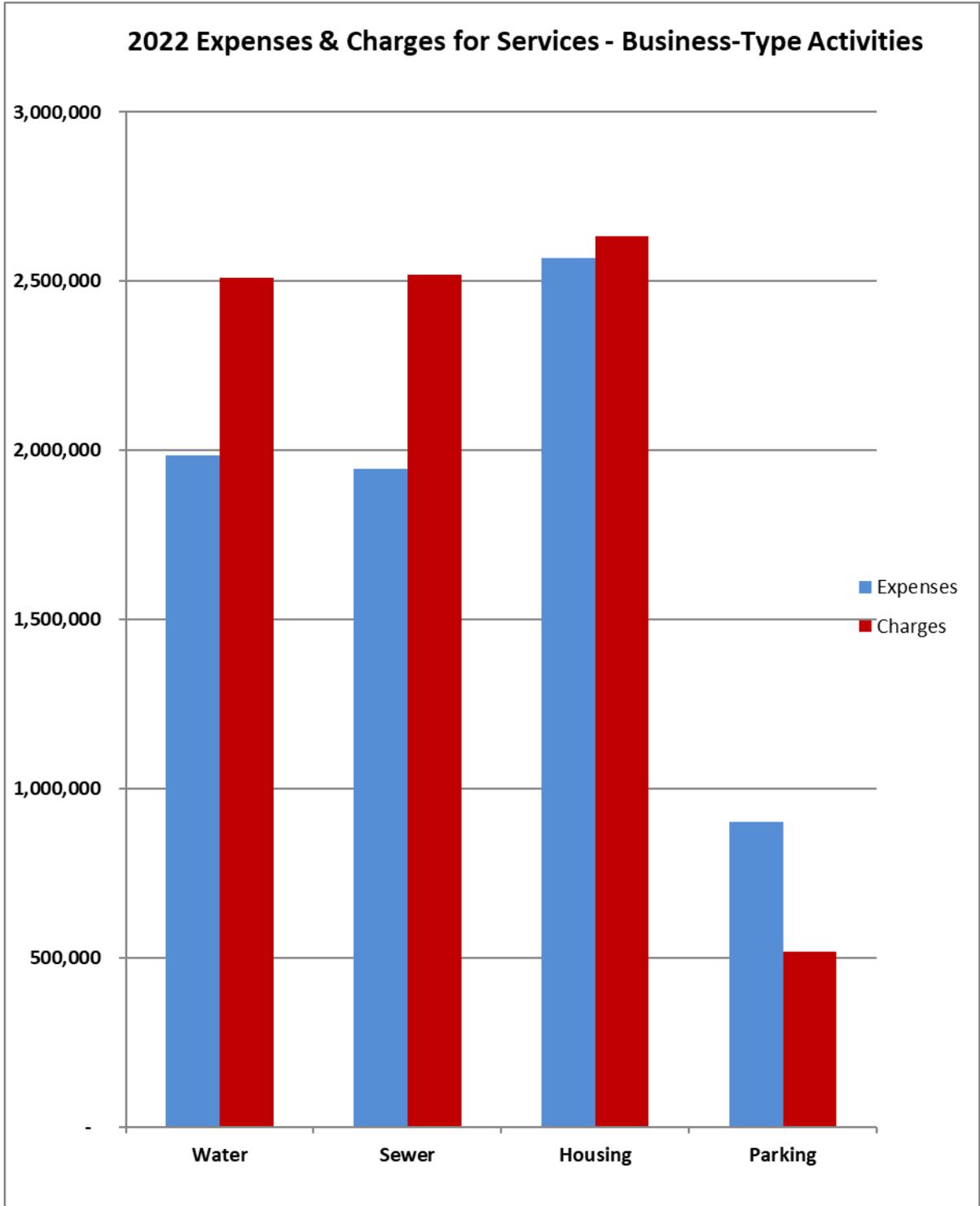


2022 REVENUES BY SOURCE GOVERNMENTAL ACTIVITIES



Real estate transfer tax decreased in 2022 by 29.09 percent from 2021.
Sales and use taxes increased by 15.05 percent in 2022 from 2021.

Business activities. Business-type activities for the year resulted in an increase in net position of \$6,387,494 compared to 2021.



D. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2022, the Town's governmental funds reported combined ending fund balances of \$30,580,705, an increase of \$567,131 in comparison with the prior year.

The Town has four major governmental funds. They are General, Capital Improvement, Affordable Housing, and Open Space. Also included in the governmental funds, as a major fund is one component unit, Block 23 Housing Corporation.

The General Fund is the primary operating fund for the Town of Telluride. At the end of 2022, unassigned fund balance of the General Fund was \$7,903,124. The required Colorado TABOR emergency reserve balance was \$970,588 and an assigned balance of \$246,745 for a total fund balance of \$9,120,457. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund decreased by \$393,018 during 2022.

The Capital Improvement Fund accounts for general capital expenditures (other than proprietary fund expenditures). The fund is primarily funded by real estate transfer taxes. At the end of 2022, the Capital Improvement Fund balance was the same as the assigned balance of \$10,887,238. The Capital Improvement Fund balance increased by \$5,210,601 during 2022.

The Debt Service Fund had a total fund balance of \$0 at the end of 2022, all of which is restricted for debt service.

The Open Space Fund had a total restricted fund balance of \$7,485,563 at the end of 2022. The fund balance is to be used for the acquisition and maintenance of open spaces. The fund is financed by 20 percent of unencumbered revenues generated from property taxes, sales and use taxes, real estate transfer taxes and business licenses. The fund balance decreased by \$3,742,197.

The Affordable Housing Fund had a total fund balance of \$1,527,897 at the end of 2022. The fund balance decreased by \$809,213 from the prior year. The fund revenue is derived primarily from a one-half (½) percent sales and use tax, a 2.5 percent affordable housing excise tax, and a property tax mil levy and is for the development and preservation of affordable housing.

The Component Unit Block 23 Housing Corporation is funded by government grants and bank loans for the purpose of constructing affordable housing for resale.

Proprietary funds. The Town of Telluride’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has three enterprise funds, the Water Fund, Wastewater Fund and Parking Fund. In 2015 and 2016, the Shandoka Fund was treated as an enterprise fund of the Town. After careful consideration and direction from the Town’s auditors, a determination was made in 2017 to report the Shandoka Fund as a blended component unit. In addition, new debt was taken out in 2017 for the construction of the Virginia Placer affordable housing project and in 2021 for the Sunnyside project. Shandoka, Virginia Placer and Sunnyside are considered part of the Telluride Housing Authority (THA). The balances for Shandoka, Virginia Placer and Sunnyside are combined under the new THA Fund blended component unit.

Total net position of the proprietary funds at the end of 2022 amounted to \$41,041,559 (Water Fund is \$17,247,048, Wastewater Fund is \$13,722,041, THA Fund is \$6,277,087 and Parking Fund is \$3,795,383). Total net position increased by \$6,387,494 (Water Fund increased by \$1,660,811, Wastewater Fund increased by \$3,887,494, THA increased by \$181,105, Parking Fund decreased by \$385,734).

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town’s total capital assets for governmental activities in 2022 was \$127,831,048. This represents an increase of \$11,206,632. The Town’s total capital assets for business-type activities in 2022 was \$53,500,192, a decrease of \$641,861.

Long-term debt. At the end of 2022, long-term liabilities totaled \$46,185,868.

F. ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The Town of Telluride continues to maintain reserves at levels higher than required in the Town’s budget policy.
- Dollar value of real estate sales decreased in 2022 resulting in a decrease of 29.09 percent in real estate transfer tax revenues from 2021.
- In 2023 sales tax revenues are projected to be down 10% from 2022 actuals.
- In 2023, the town will begin construction on new affordable housing projects, as well as continued improvements to the wastewater treatment plant which are state mandated.
- In 2023 water rates increased 7% and wastewater rates increased 22%.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Telluride's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Finance Director
Town of Telluride
P.O. Box 397
Telluride, Colorado 81435

Town of Telluride, Colorado

STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities	Business- Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 13,545,194	\$ 9,516,036	\$ 23,061,230
Investments	22,185,718	-	22,185,718
Receivables			
Taxes	1,571,315	558,214	2,129,529
Accounts	597,451	1,087,836	1,685,287
Intergovernmental	188,066	327,275	515,341
Other	34,046	-	34,046
Internal balances	(1,668,987)	1,668,987	-
TOTAL CURRENT ASSETS	36,452,803	13,158,348	49,611,151
CAPITAL ASSETS			
Land	80,556,438	4,721,011	85,277,449
Construction in progress	16,264,632	585,971	16,850,603
Buildings and systems	13,351,839	29,355,451	42,707,290
Treatment plants and systems - Improvements	15,518,556	49,304,015	64,822,571
Equipment	6,206,575	1,087,122	7,293,697
Infrastructure	37,333,264	-	37,333,264
Accumulated depreciaton	(41,400,256)	(31,553,378)	(72,953,634)
NET CAPITAL ASSETS	127,831,048	53,500,192	181,331,240
NON-CURRENT ASSETS			
Restricted cash and investments	-	5,964,015	5,964,015
TOTAL NON-CURRENT ASSETS	-	5,964,015	5,964,015
TOTAL ASSETS	164,283,851	72,622,555	236,906,406
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other liabilities	1,574,533	1,517,860	3,092,393
Accrued interest payable	78,355	108,283	186,638
Deposits	1,425,884	-	1,425,884
Unearned revenue	1,054,411	-	1,054,411
Current portion of long-term debt	1,179,097	1,967,782	3,146,879
TOTAL CURRENT LIABILITIES	5,312,280	3,593,925	8,906,205
LONG-TERM LIABILITIES			
Compensated absences	404,701	43,751	448,452
Long-term debt	18,757,011	27,385,106	46,142,117
TOTAL LONG-TERM LIABILITIES	19,161,712	27,428,857	46,590,569
TOTAL LIABILITIES	24,473,992	31,022,782	55,496,774
DEFERRED INFLOWS			
Property taxes	1,614,969	558,214	2,173,183
TOTAL DEFERRED INFLOWS	1,614,969	558,214	2,173,183
NET POSITION			
Net investment in capital assets	107,894,940	30,039,860	137,934,800
Restricted for:			
Parks and open space	7,638,711	-	7,638,711
Affordable Housing	1,527,897	-	1,527,897
Energy mitigation	292,847	-	292,847
Debt service	-	71,459	71,459
Culture and Recreation	137,477	-	137,477
Emergency reserve	970,588	-	970,588
Unrestricted	19,732,430	10,930,240	30,662,670
TOTAL NET POSITION	\$ 138,194,890	\$ 41,041,559	\$ 179,236,449

See notes to the basic financial statements.

Town of Telluride, Colorado

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General government	\$ 7,000,081	\$ 1,455,914	\$ 41,348	\$ 42,426	\$ (5,460,393)	\$ -	\$ (5,460,393)
Public safety	2,169,307	149,940	1,305	-	(2,018,062)	-	(2,018,062)
Public works	4,250,569	909,118	-	24,945	(3,316,506)	-	(3,316,506)
Culture and recreation	4,490,995	547,922	41,041	33,405	(3,868,627)	-	(3,868,627)
Economic development	3,331,418	1,084,729	-	-	(2,246,689)	-	(2,246,689)
Transportation	980,529	-	493,293	-	(487,236)	-	(487,236)
Interest on long-term debt	311,578	-	-	-	(311,578)	-	(311,578)
Total government activities	22,534,477	4,147,623	576,987	100,776	(17,709,091)	-	(17,709,091)
Business-type Activities							
Water operations	1,986,151	2,510,674	-	-	-	524,523	524,523
Sewer operations	1,943,673	2,518,310	762,034	-	-	1,336,671	1,336,671
Housing	2,568,552	2,633,581	-	210,000	-	275,029	275,029
Parking	901,680	515,946	-	-	-	(385,734)	(385,734)
Total business-type activities	7,400,056	8,178,511	762,034	210,000	-	1,750,489	1,750,489
Total primary government	\$ 29,934,533	\$ 12,326,134	\$ 1,339,021	\$ 310,776	(17,709,091)	1,750,489	(15,958,602)
		General Revenues:					
			Property taxes		1,535,805	582,657	2,118,462
			Specific ownership taxes		68,419	-	68,419
			Sales and use tax		12,191,930	-	12,191,930
			Franchise taxes		275,363	-	275,363
			Real estate transfer taxes		9,152,119	-	9,152,119
			Excise tax		3,802,473	-	3,802,473
			Road and Bridge tax		329,305	-	329,305
			Other taxes		1,751,342	-	1,751,342
			Tap fees		-	767,255	767,255
			Investment earnings		496,188	29,209	525,397
			Transfers		(757,884)	757,884	-
			Gain (loss) on asset disposal		89,518	-	89,518
			Total general revenues		28,934,578	2,137,005	30,982,065
			Change in net position		11,225,487	3,887,494	15,112,981
			Net position, beginning		126,969,403	37,154,065	164,123,468
			Net position, ending		\$ 138,194,890	\$ 41,041,559	\$ 179,236,449

See notes to the basic financial statements.

Town of Telluride, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2022

	General	Capital Improvement	Open Space	Affordable Housing	Other Governmental Funds	Total
ASSETS						
Cash	\$ 1,204,754	\$ -	\$ 5,202	\$ 12,145,872	\$ 189,366	\$ 13,545,194
Investments	18,120,847	1,412,765	1,118,021	1,534,085	-	22,185,718
Receivables						
Taxes	869,180	-	-	702,135	-	1,571,315
Accounts	272,285	-	-	323,170	1,996	597,451
Notes	-	-	-	-	-	-
Intergovernmental	188,066	-	-	-	-	188,066
Other receivables	-	-	34,046	-	-	34,046
Due from other funds	181,261	9,538,110	6,413,078	-	1,484,732	17,617,181
Total assets	<u>20,836,393</u>	<u>10,950,875</u>	<u>7,570,347</u>	<u>14,705,262</u>	<u>1,676,094</u>	<u>55,738,971</u>
LIABILITIES						
Accounts payable	763,416	63,637	50,738	580,198	116,544	1,574,533
Due to other funds	8,270,282	-	-	11,015,886	-	19,286,168
Deposits	792,693	-	-	633,191	-	1,425,884
Unearned revenue	1,020,365	-	34,046	-	-	1,054,411
Total liabilities	<u>10,846,756</u>	<u>63,637</u>	<u>84,784</u>	<u>12,229,275</u>	<u>116,544</u>	<u>23,340,996</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred for long-term receivables	-	-	-	245,955	-	245,955
Deferred property taxes	869,180	-	-	702,135	-	1,571,315
Total deferred inflows	<u>869,180</u>	<u>-</u>	<u>-</u>	<u>948,090</u>	<u>-</u>	<u>1,817,270</u>
FUND BALANCE						
Restricted						
Emergency reserve	970,588	-	-	-	-	970,588
Open space	-	-	7,485,563	-	153,148	7,638,711
Affordable housing	-	-	-	1,527,897	-	1,527,897
Energy mitigation	-	-	-	-	292,847	292,847
Debt service	-	-	-	-	-	-
Marketing	-	-	-	-	568,598	568,598
Culture and recreation	-	-	-	-	137,477	137,477
Assigned						
Affordable housing	-	-	-	-	190,916	190,916
Transportation	246,745	-	-	-	-	246,745
Capital projects	-	10,887,238	-	-	216,564	11,103,802
Unassigned	7,903,124	-	-	-	-	7,903,124
Total fund balance	<u>\$ 9,120,457</u>	<u>\$ 10,887,238</u>	<u>\$ 7,485,563</u>	<u>\$ 1,527,897</u>	<u>\$ 1,559,550</u>	<u>\$ 30,580,705</u>

Town of Telluride, Colorado

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

December 31, 2022

Amounts reported for governmental activities on the statement of net position are different because:

Total fund balance - governmental funds		\$ 30,580,705
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds		
Cost	\$ 169,231,304	
Accumulated depreciation	<u>(41,400,256)</u>	
		127,831,048
Deferred inflows of resources related to long-term receivables are not available to pay for current-period expenditures, and therefore, are not recorded in the funds.		202,301
Long term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		
2020 Valley Floor Refunding Certificates of Participation	(5,755,000)	
2020 Taxable Refunding Bonds	(1,505,000)	
2021 Revenue Bonds	(11,965,000)	
2021 Certificates of participation	(239,267)	
2022 Revenue Bonds	(106,641)	
Owner financed loan	(365,200)	
Accrued interest payable	(78,355)	
Compensated absences	<u>(404,701)</u>	
		<u>(20,419,164)</u>
Total governmental activities net position		<u><u>\$ 138,194,890</u></u>

Town of Telluride, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year ended December 31, 2022

	General	Capital Improvement	Open Space	Affordable Housing	Other Governmental Funds	Total
REVENUES						
Taxes	\$ 10,080,898	\$ 7,321,695	\$ 4,161,547	\$ 3,522,936	\$ 3,671,511	\$ 28,758,587
Licenses and permits	960,900	-	100,780	-	-	1,061,680
Intergovernmental	978,456	-	-	-	33,355	1,011,811
Charges for services	1,377,832	-	-	1,010,161	313,149	2,701,142
Fines and forfeitures	276,591	-	-	-	-	276,591
Grants and contributions	-	24,945	2,611	-	34,262	61,818
Investment earnings	426,223	-	20,532	50,073	-	496,828
Miscellaneous	40,959	-	-	14,757	14,138	69,854
Total revenues	14,141,859	7,346,640	4,285,470	4,597,927	4,066,415	34,438,311
EXPENDITURES						
Current						
General government	6,341,589	-	-	-	535,730	6,877,319
Public safety	2,070,403	-	-	-	-	2,070,403
Public works	1,845,282	-	-	-	853,178	2,698,460
Culture and recreation	2,619,215	-	532,331	-	115,306	3,266,852
Marketing	-	-	-	-	595,000	595,000
Economic development	-	-	-	12,885,481	2,465,330	15,350,811
Transportation	866,462	-	-	-	-	866,462
Capital projects	-	2,667,574	-	-	-	2,667,574
Debt service						
Principal	-	-	6,935,000	565,200	18,163	7,518,363
Interest	-	-	397,546	49,729	7,337	454,612
Total expenditures	13,742,951	2,667,574	7,864,877	13,500,410	4,590,044	42,365,856
Revenues in excess (deficiency) of expenditures	398,908	4,679,066	(3,579,407)	(8,902,483)	(523,629)	(7,927,545)
OTHER FINANCING SOURCES (USES)						
Proceeds from debt issuance	-	54,280	-	8,125,073	-	8,179,353
Proceeds from sale of assets	-	1,022,319	-	50,886	-	1,073,205
Transfers in	1,906,932	1,714,000	-	-	874,744	4,495,676
Transfers out	(2,698,858)	(2,259,064)	(162,790)	(82,690)	(50,158)	(5,253,560)
Total other financing sources (uses)	(791,926)	531,535	(162,790)	8,093,269	824,586	8,494,674
Revenues and other sources in excess (deficiency) of expenditures and other sources (uses)	(393,018)	5,210,601	(3,742,197)	(809,214)	300,957	567,129
Fund balance, beginning	9,513,475	5,676,637	11,227,760	2,337,111	1,258,593	30,013,576
Fund balance, ending	\$ 9,120,457	\$ 10,887,238	\$ 7,485,563	\$ 1,527,897	\$ 1,559,550	\$ 30,580,705

Town of Telluride, Colorado

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities

Year ended December 31, 2022

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances - total governmental funds \$ 567,129

Governmental funds report capital outlays as expenditures. However, in the statement
of activities the cost of those assets is allocated over their estimated useful lives and
reported as depreciation expense. This is the amount by which capital outlay exceeds
depreciation expense in the current year:

Capital outlays	\$ 15,346,035	
Depreciation expense	<u>(3,145,732)</u>	12,200,303

The sale of assets is recognized as an other financing source in the funds but is recognized
as a gain or loss net of the assets net value in the statement of activities. (993,668)

Issuance of long-term debt is recognized as a financing source in the funds but as additional
long-term debt in the government wide statements. (8,179,353)

The repayment of the principal of long-term debt consumes the current financial resources of
of governmental funds, however, this transaction has no effect on net assets. Also,
governmental funds report the effect of issuance costs, premiums, discounts, and similar
items when debt is first issued, whereas these amounts are deferred and amortized in
the statement of activities. This amount is the net effect of these differences in the
treatment of long-term debt and related items.

Amortization of premiums on long-term debt	143,034	
Debt principal payments	7,518,363	
Increase in compensated absences	<u>(30,321)</u>	7,631,076

Change in net position of governmental activities \$ 11,225,487

Town of Telluride, Colorado

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

Year ended December 31, 2022

	Water	Wastewater	THA	Parking	Total
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ -	\$ 4,278,711	\$ 5,233,259	\$ 4,066	\$ 9,516,036
Receivables					
Taxes	558,214	-	-	-	558,214
Accounts	332,557	739,206	16,073	-	1,087,836
Intergovernmental	-	327,275	-	-	327,275
Due from other funds	1,471,248	3,548,274	-	913,575	5,933,097
Total current assets	2,362,019	8,893,466	5,249,332	917,641	17,422,458
NON-CURRENT ASSETS					
Restricted cash and investments	-	5,892,556	71,459	-	5,964,015
Total noncurrent assets	-	5,892,556	71,459	-	5,964,015
CAPITAL ASSETS					
Land	-	308,011	4,413,000	-	4,721,011
Construction in progress	1	585,970	-	-	585,971
Buildings and building improvements	-	1,095,747	20,154,999	8,104,705	29,355,451
Treatment plants and systems	35,085,048	14,011,698	207,269	-	49,304,015
Equipment	355,597	511,246	220,279	-	1,087,122
Less accumulated depreciation	(11,306,396)	(10,041,632)	(8,227,688)	(1,977,662)	(31,553,378)
Net capital assets	24,134,250	6,471,040	16,767,859	6,127,043	53,500,192
Total assets	26,496,269	21,257,062	22,088,650	7,044,684	76,886,665
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	871,418	253,627	85,114	7,301	1,217,460
Due to other funds	-	-	4,264,110	-	4,264,110
Security deposits	-	-	300,400	-	300,400
Accrued interest payable	46,167	-	62,116	-	108,283
Unearned revenue	-	-	-	-	-
Current portion of long-term debt	782,450	311,332	609,000	265,000	1,967,782
Total current liabilities	1,700,035	564,959	5,320,740	272,301	7,858,035
LONG TERM LIABILITIES					
Compensated absences	14,400	7,528	21,823	-	43,751
Bonds payable	6,976,572	6,962,534	10,469,000	2,977,000	27,385,106
Total long-term liabilities	6,990,972	6,970,062	10,490,823	2,977,000	27,428,857
Total liabilities	8,691,007	7,535,021	15,811,563	3,249,301	35,286,892
DEFERRED INFLOWS OF RESOURCES					
Property taxes	558,214	-	-	-	558,214
Total deferred inflows of resources	558,214	-	-	-	558,214
NET POSITION					
Net investment in capital assets	16,375,228	5,089,730	5,689,859	2,885,043	30,039,860
Restricted for debt service	-	-	71,459	-	71,459
Unrestricted	871,820	8,632,311	515,769	910,340	10,930,240
Total net position	\$ 17,247,048	\$ 13,722,041	\$ 6,277,087	\$ 3,795,383	\$ 41,041,559

Town of Telluride, Colorado

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS

Year ended December 31, 2022

	Water	Wastewater	THA	Parking	Total
OPERATING REVENUES					
Charges for sales and services	\$ 2,095,884	\$ 2,487,489	\$ 2,539,061	\$ 513,231	\$ 7,635,665
Miscellaneous	387,561	30,821	94,520	2,715	515,617
Meter sales	27,229	-	-	-	27,229
Total operating revenues	2,510,674	2,518,310	2,633,581	515,946	8,178,511
OPERATING EXPENSES					
Costs of sales and service	620,908	1,250,687	1,356,608	233,097	3,461,300
Depreciation	1,143,303	485,878	615,688	513,555	2,758,424
Total operating expenses	1,764,211	1,736,565	1,972,296	746,652	6,219,724
Net income (loss) from operations	746,463	781,745	661,285	(230,706)	1,958,787
NONOPERATING REVENUES (EXPENSES)					
Taxes	582,657	-	-	-	582,657
Investment earnings	(1)	-	29,210	-	29,209
Capital repairs and maintenance	(34,534)	-	-	-	(34,534)
Intergovernmental agreement	-	762,034	-	-	762,034
Treasurer's fees	(11,154)	-	-	-	(11,154)
Bond issuance costs	-	-	-	-	-
Interest expense	(176,252)	(207,108)	(596,256)	(155,028)	(1,134,644)
Total non-operating revenues (expenses)	360,716	554,926	(567,046)	(155,028)	193,568
Net income (loss) before capital contributions and transfers	1,107,179	1,336,671	94,239	(385,734)	2,152,355
Capital contributions - tap fees	290,623	476,632	-	-	767,255
Grants and contributions	-	-	210,000	-	210,000
Transfers in	700,000	1,055,000	-	-	1,755,000
Transfers(out)	(436,991)	(436,991)	(123,134)	-	(997,116)
Change in net position	1,660,811	2,431,312	181,105	(385,734)	3,887,494
Net position, beginning	15,586,237	11,290,729	6,095,982	4,181,117	37,154,065
Net position, ending	\$ 17,247,048	\$ 13,722,041	\$ 6,277,087	\$ 3,795,383	\$ 41,041,559

Town of Telluride, Colorado

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year ended December 31, 2022

	Water	Sewer	THA	Parking	Total
Cash flows from operating activities:					
Charges for sales and services	\$ 2,468,266	\$ 2,438,782	\$ 2,568,108	\$ 514,461	\$ 7,989,617
Other receipts	-	30,821	94,520	2,715	128,056
Payments to employees	(274,451)	(391,640)	(876,926)	-	(1,543,017)
Payments to suppliers	(676,755)	(881,556)	(480,221)	(228,190)	(2,266,722)
Net cash provided by operating activities	1,517,060	1,196,407	1,305,481	288,986	4,307,934
Cash flows from non-capital financing activities:					
Interfund liability activity	(175,699)	1,377,281	499,574	(69,335)	1,631,821
Transfers from (to) other funds	263,009	618,009	(123,134)	-	757,884
Net cash provided (used) by non-capital financing activities	87,310	1,995,290	376,440	(69,335)	2,389,705
Cash flows from capital and related financing activities					
Taxes	582,656	-	-	-	582,656
Treasurer's fees	(11,154)	-	-	-	(11,154)
Tap fees	290,623	476,632	-	-	767,255
Purchase of capital assets	(1,491,270)	(601,335)	(23,959)	-	(2,116,564)
Capital maintenance and repair	(34,534)	-	-	-	(34,534)
Intergovernmental agreements	-	1,141,045	210,000	-	1,351,045
Principal payments on debt	(764,439)	(280,000)	(579,000)	(254,000)	(1,877,439)
Interest payments on debt	(176,252)	(234,780)	(596,256)	(155,028)	(1,162,316)
Net cash provided (used) by capital and related financing activities	(1,604,370)	501,562	(989,215)	(409,028)	(2,501,051)
Cash flows from investing activities					
Investment income	-	-	29,210	-	29,210
Net cash provided (used) by investing activities	-	-	29,210	-	29,210
Net increase (decrease) in cash and cash equivalents	-	3,693,259	721,916	(189,377)	4,225,798
Cash at beginning of year	-	6,478,008	4,582,802	193,443	11,254,253
Cash at end of year	<u>\$ -</u>	<u>\$ 10,171,267</u>	<u>\$ 5,304,718</u>	<u>\$ 4,066</u>	<u>\$ 15,480,051</u>

Town of Telluride, Colorado

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2022

	Water	Sewer	THA	Parking	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 746,463	\$ 781,746	\$ 661,285	\$ (230,706)	\$ 1,958,788
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	1,143,303	485,878	615,688	513,555	2,758,424
(Increase) decrease in accounts receivable	(42,409)	(48,708)	1,341	1,230	(88,546)
Increase (decrease) in accounts payable	(328,259)	(26,605)	(982)	4,907	(350,939)
Increase (decrease) in unearned revenue	-	-	(7,402)	-	(7,402)
Increase (decrease) in security deposits	-	-	35,108	-	35,108
Increase (decrease) in accrued liabilities	(2,038)	4,096	443	-	2,501
Total adjustments	<u>770,597</u>	<u>414,661</u>	<u>644,196</u>	<u>519,692</u>	<u>2,349,146</u>
Net cash provided by operating activities	<u>\$ 1,517,060</u>	<u>\$ 1,196,407</u>	<u>\$ 1,305,481</u>	<u>\$ 288,986</u>	<u>\$ 4,307,934</u>
Reconciliation of cash flow statement to statement of net position					
Cash and investments	\$ -	\$ 4,278,711	\$ 5,233,259	\$ 4,066	\$ 9,516,036
Restricted cash and investments	-	5,892,556	71,459	-	5,964,015
	<u>\$ -</u>	<u>\$ 10,171,267</u>	<u>\$ 5,304,718</u>	<u>\$ 4,066</u>	<u>\$ 15,480,051</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Telluride, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The Town operates under a Home Rule Charter and a Council-Manager form of government with seven elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Telluride (the primary government) and its component units. The Town's major operations include public safety, street construction and maintenance, community development, parks, recreation programs, water and sewer services, and general administration.

Blended Component Unit

Block 23 Housing Corporation is a not-for-profit organization and is presented as a blended component unit of the Town because the Town exercises effective operational and financial control over the organization. Separate financial statements are not prepared for Block 23 Housing Corporation.

The Telluride Housing Authority (THA) provides housing for employees who work within the boundaries of the Telluride R-1 School District. This includes the Shandoka Apartments, Virginia Placer units and Sunnyside units. THA is presented as a blended component unit because the members of the Town Council sit as the THA Board of Directors and the Town manages the property on behalf of THA.

Related Organizations

The Town and the Town of Mountain Village entered into an agreement for the joint construction and operation of a regional sewage treatment facility. Each entity obtains its own financing for construction and improvements to the joint facility. The reserved capacity rights are 65% for the Town and 35% for the Town of Mountain Village. The Town owns and operates the joint facility. The Town reports its percentage interest in the joint facility as a capital asset and the entire joint facilities operating costs as an operating expense.

The Town entered into an agreement with San Miguel County, Colorado to jointly fund the costs of transit services in the Telluride region.

The Marketing Telluride, Inc. (a Colorado nonprofit corporation) was formed primarily to provide the community of Telluride with services necessary to maintain, promote and manage tourism. The Corporation receives funding from the Town, the Telluride Ski and Golf Company, the Town of Mountain Village, and San Miguel County.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, if any, while business-type activities incorporate data from the government’s enterprise funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows and deferred outflows. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- *General Fund* - accounts for all financial resources of the Town, except those required to be accounted for in another fund. It is the Town’s primary operating fund. Accounts of the Transportation sub-fund are included with the General Fund.
- *Capital Improvement Fund* - accounts for general government capital projects and outlays, economic and cultural development, public works and government facility maintenance, and transportation subsidies. It is financed primarily by real estate transfer taxes.

Town of Telluride, Colorado

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- *Open Space Fund* - accounts for the acquisition and maintenance of open space financed by twenty percent of unencumbered revenues generated from property taxes, sales and use taxes, real estate transfer taxes and business licenses. Reserves are developed over time and are then utilized to acquire real properties to be dedicated as open spaces.
- *Affordable Housing Fund* – accounts for a one-half (1/2) percent sales and use tax, a two and one-half (2.5) percent Affordable Housing short-term rental excise tax, and a 2 mil property tax levy to finance the development and preservation of affordable housing.

The remaining governmental funds are aggregated and presented as non-major funds.

Those funds include:

- *Block 23 Housing Corporation (a blended component unit)* - accounts for the intergovernmental receipts and construction of affordable housing.
- *Debt Service Fund* - accounts for special assessment debt service requirements, special assessment levies, general obligation debt service and lease purchase agreements.
- *Street and Alley Fund* - accounts for resources to be used for the acquisition and construction of major capital assets.
- *Conservation Trust Fund* - accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.
- *Airline Guarantee Fund* - accounts for excise taxes used to provide financial guarantees to airlines serving the Town.
- *Energy Mitigation Fund* - accounts for green energy fees charged by the Town to be used for energy conservation projects.
- *Restricted Fund* – accounts for miscellaneous restricted fees and donations.
- *Town Lodgers' Tax Fund* – accounts for the 2% lodging tax collected by the Town.

The Town reports the following major proprietary funds:

- *Telluride Housing Authority (THA) (a blended component unit)* - accounts for the activity in the Shandoka, Sunnyside, and Virginia Placer affordable housing units including the long-term debt on the units, the rental income from the units and the costs to manage and maintain the affordable housing units.
- *Wastewater Fund* - accounts for the revenues from providing sewer services to Town residents as well as residents of several nearby communities and the expenses to provide those services.

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- *Water Fund* - accounts for the revenues charged to constituents for water provided by the Town and the expenses to provide those services.
- *Parking Fund* – accounts for all Town parking meter fees and parking permit fees and related activity.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transaction or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales tax, use tax, franchise fees, grant revenues, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been

Town of Telluride, Colorado

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incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for these revenue sources. All other revenue items are considered to be measurable and available only when cash is received by the government.

Cash and Cash Equivalents

For the purpose of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less from date of acquisition.

Investments

Investments are stated at fair value based on quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State. The investment pools are similar to money market funds, with each share valued at \$1.

Colorado State Statutes authorize the Town to invest in obligations of the United States or obligations unconditionally guaranteed by the United States, bonds of the State of Colorado and its political subdivisions, certain obligations secured by mortgages, bankers acceptances, commercial paper, state investment pools, repurchase agreements, money market funds, and guaranteed investment contracts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Due to and Due from Other Funds

Interfund receivables and payable arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Restricted Cash and Investments

Certain proceeds of general obligation and revenue bonds, as well as other resources, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants, laws, ordinances or contracts. Restricted investments consist of bond contingency reserves set aside to subsidize potential deficiencies from operations that could adversely affect debt service payment.

Housing Held for Resale

Housing inventory held for resale reported in the governmental activities column in the government-wide financial statements consists of a residential units held for sale and valued at cost which approximates market.

Capital Assets

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Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds the following dollar amounts:

<u>Asset Class</u>	<u>Minimum Dollar Value</u>
Land	No Minimum
Buildings	No Minimum
Building and Other Improvements	\$ 20,000
Furniture and Equipment	\$ 5,000
Infrastructure	\$ 25,000

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized. Gains or losses on disposition of property and equipment are included in income.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	40 years
Building and Other Improvements	15 years
Water and Sewer Systems	25 – 35 years
Furniture and Equipment	5 – 10 years
Infrastructure	15 – 40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Accrued Compensated Absences Payable

NOTES TO FINANCIAL STATEMENTS

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It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the government-wide financial statements, vacation and sick pay are reported as expenses when incurred. In the governmental funds, vacation and sick pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable, available financial resources are not reported as expenditures in the governmental funds.

Noncurrent Liabilities

In the government-wide financial statements and in the enterprise fund financial statements, noncurrent liabilities, such as bonds payable, and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities columns in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the term of the related debt using the straight-line method of amortization.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

Certain of the Town's general obligation bonds, revenue bonds, refunding bonds, certificates of participation, and capital leases are serviced from taxes and other revenues of various governmental funds. Other general obligation bonds are serviced from the enterprise funds.

Net Position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

In addition to committed and assigned fund balances, there is a nonspendable fund balance which represents amounts that are not in spendable form (such as prepaid expenses or inventory) or are required to be maintained intact.

Restricted fund balance represents amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

NOTES TO FINANCIAL STATEMENTS

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The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Council has, by resolution, authorized the Town Manager to assign fund balance. The Town Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Town Council or Town Manager has adopted financial policies to:

- assign funds for affordable housing needs.
- assign funds for transportation needs.
- assign funds for future capital projects.

Unassigned fund balance represents the residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is Town policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

Minimum Fund Balance

The Town of Telluride has implemented a policy to maintain a general fund balance of 35% of general fund appropriations excluding appropriations for grant expenditures. The 35% minimum includes the 3% reserve required by TABOR.

Revenues and Expenditures/Expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

NOTES TO FINANCIAL STATEMENTS

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Property taxes

Property taxes as set by the Town Council are collected by the County Treasurer. Property taxes may be paid in installments with one-half of the total amount due payable on February 28 and the second half payable on June 15, or they may be paid in full by April 30. The County Treasurer remits property taxes collected to the Town by the 10th day of the month following collection. Property taxes receivable represent 2021 taxes collectible in 2022 and are shown as deferred inflows of resources.

Enterprise funds operating and non-operating revenues and expenses

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the water fund, wastewater fund, THA fund, and parking fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE B – BUDGETS

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- By August 1st of each year, the manager shall give public notice of budget preparation for the next fiscal year. The manager asks that all Town departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared. The manager, with assistance from the finance director, then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.
- The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year, indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.
- The manager and staff also prepare and submit to the Council each year an updated five-year financial plan for the Capital Improvement Fund. The update includes a five-year cash flow projection for the fund and highlights the restricted reserves established by law or budget policy.
- A public hearing on the proposed budget and proposed capital program is held by the Council in late October or early November.
- The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the

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Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

- If during the fiscal year the manager determines that there are revenues in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the manager that the revenues available will be insufficient to meet the amount appropriated, the manager reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the manager may transfer part or all of any unencumbered appropriation balance within a department, office, agency or fund. Expenditures may not exceed appropriations at the fund level.
- Budget appropriations lapse at the end of each year.

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing, which are budgeted when liquidated rather than when the receivable/liability is incurred.

Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds. A reconciliation of the budgetary basis of reporting under generally accepted accounting principles is included in the Statement of Revenues, Expenses and Changes in Net Position – Enterprise Funds.

Block 23 Affordable Housing does not require a budget.

NOTE C – CASH DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk for deposits. The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town's deposits are either covered by depository insurance or are collateralized under the Colorado Public Deposit Protection Act (PDPA) and are therefore not deemed to be exposed to custodial credit risk. The Town's deposits are governed by

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Colorado Statute. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. All deposits of the Town are insured or collateralized with securities held by or for the entity. The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2022, \$1,000,000 of the Town's deposits were covered under FDIC insurance and \$25,467,856 were collateralized under PDPA.

Investments

Custodial credit risk for investments. The custodial credit risk for investments is the risk that, in the event of the failure of the investment pool or counterparty to a transaction, a government will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Town's investments are not deemed to be exposed to custodial credit risk because they are held by the Town or the Town's custody agent in the Town's name. Colorado statutes specify investments meeting defined rating and risk criteria in which local governments may invest, which include the following investment with terms of five year or less:

- Obligations of the United States and certain U.S. government agency securities
- Local government investment pools
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Guaranteed investment contracts
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Banker's acceptances of certain banks
- Certain money market funds

As of December 31, 2022, the Town had \$23,308,476 in governmental and business-type funds in several local government investment pools established for local governments in Colorado to pool surplus funds (Colotrust). These pools are regulated by the Colorado Securities Commissioners. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of these pools consist of U.S. treasury and Agency securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investment owned by the specific pool. Each pool is rated AAAM by Standard and Poor's. Colotrust's financial statements are available on their website at www.colotrust.com.

The above investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The composition of cash and investments held by the Town at December 31, 2022 is as follows:

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Cash on hand	4,617
Deposits:	
Cash in checking account(s)	1,562,289
Money market funds	23,327,188
Cash with county treasurer	7,631
Total deposits	<u>24,897,108</u>
Investment pools	26,309,238
Total cash, deposits, and investments	<u><u>\$ 51,210,963</u></u>

The descriptions on the statement of net position related to cash and investments are as follows:

Cash and cash equivalents	\$ 23,061,230
Investments	22,185,718
Restricted cash and investments	5,964,015
	<u><u>\$ 51,210,963</u></u>

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town manages its exposure to fair value losses arising from increasing interest rates by adhering to Colorado statutes which do not allow investment maturities to exceed five years unless specifically authorized by the governing body. The Town Council has not authorized longer maturities.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer or institution. The Town places no limit on the amount the Town may invest in any one issuer. More than five percent of the Town's investment are in public entity investment pools. These investments represent 51% of the Town's total cash, deposits, and investments at December 31, 2021.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

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	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital Assets not being depreciated:					
Land	\$ 76,951,438	\$ 3,605,000	\$ -	\$ -	\$ 80,556,438
Construction in Progress	7,575,157	8,708,396	-	(18,921)	16,264,632
Total non-depreciable	84,526,595	12,313,396	-	(18,921)	96,821,070
Capital Assets being Depreciated:					
Buildings	12,428,403	923,436	-	-	13,351,839
Infrastructure	36,018,758	1,010,413	-	304,093	37,333,264
Equipment and Vehicles	6,115,572	91,003	-	-	6,206,575
Improvements	15,789,616	14,112	-	(285,172)	15,518,556
Total depreciable	70,352,349	2,038,964	-	18,921	72,410,234
Less Accumulated Depreciation:					
Buildings	(7,533,125)	(234,358)	-	-	(7,767,483)
Infrastructure	(21,659,005)	(1,395,508)	-	-	(23,054,513)
Equipment and Vehicles	(4,537,144)	(493,051)	-	-	(5,030,195)
Improvements	(4,525,254)	(1,022,811)	-	-	(5,548,065)
Total accumulated depreciation	(38,254,528)	(3,145,728)	-	-	(41,400,256)
Capital Assets being Depreciated, Net	32,097,821	(1,106,764)	-	18,921	31,009,978
Total Governmental Activities					
Net Capital Assets	\$ 116,624,416	\$ 11,206,632	\$ -	\$ -	\$ 127,831,048
Business-Type Activities					
Capital Assets not being depreciated:					
Land	\$ 4,721,011	\$ -	\$ -	\$ -	\$ 4,721,011
Construction in Progress	2,986,033	585,970	-	(2,986,033)	585,970
Total non-depreciable	7,707,044	585,970	-	(2,986,033)	5,306,981
Capital Assets being Depreciated:					
Treatment Plants and Systems	27,350,472	1,090,074	-	2,986,033	31,426,579
Buildings and Improvements	46,807,733	425,154	-	-	47,232,887
Equipment	1,071,757	15,366	-	-	1,087,123
Total depreciable	75,229,962	1,530,594	-	2,986,033	79,746,589
Less Accumulated Depreciation:					
Treatment Plants and Systems	(9,096,218)	(948,212)	-	-	(10,044,430)
Buildings and Improvements	(18,835,665)	(1,735,055)	-	-	(20,570,720)
Equipment	(863,070)	(75,158)	-	-	(938,228)
Total accumulated depreciation	(28,794,953)	(2,758,425)	-	-	(31,553,378)
Capital Assets being Depreciated, Net	46,435,009	(1,227,831)	-	2,986,033	48,193,211
Total Governmental Activities					
Net Capital Assets	\$ 54,142,053	\$ (641,861)	\$ -	\$ -	\$ 53,500,192

Depreciation expense was charged to functions as follows:

Town of Telluride, Colorado

NOTES TO FINANCIAL STATEMENTS

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<u>Governmental Activities</u>		<u>Business-type Activities</u>	
General Government	\$ 156,505	Water	\$ 1,143,304
Public Safety	98,904	Wastewater	485,878
Public Works	1,552,113	THA	615,688
Parks and Recreation	1,224,143	Parking	<u>513,555</u>
Transportation	<u>114,067</u>	Total	<u>\$ 2,758,425</u>
	<u>\$ 3,145,732</u>		

NOTE E – UNEARNED REVENUES AND DEFERRED INFLOWS

Governmental funds and enterprise funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds and enterprise funds were as follows:

General Fund	
Business licenses	\$ 397,269
Grants received outside period of availability	<u>623,096</u>
Total General Fund	<u>\$ 1,020,365</u>

Deferred inflows are recognized in the funds for long term-receivables that will be collected outside of the period availability. These are as follows:

Affordable Housing Fund	
Lot E Sale	\$ 95,975
Grants received outside period of availability	<u>149,980</u>
Total Affordable Housing Fund	<u>\$ 245,955</u>
Open Space Fund	
Grants received outside period of availability	\$ 34,046
Total Open Space Fund	<u>\$ 34,046</u>

Town of Telluride, Colorado

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NOTE F – LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the Town for the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Governmental Activities					
Excise Tax Revenue Bonds					
Series 2010	\$ 6,585,000	\$ -	\$ (6,585,000)	\$ -	\$ -
Series 2010 Premium	143,034	-	(143,034)	-	-
Taxable Sales Tax Revenue Bonds:					
Series 2020, direct placement	1,705,000	-	(200,000)	1,505,000	200,000
Tax Exempt Revenue Bonds					
Series 2021A, direct placement	10,000,000	-	-	10,000,000	-
Series 2021B, direct placement	1,965,000	-	-	1,965,000	240,000
Tax Exempt Revenue Bonds					
Series 2022A, direct placement	-	52,361	-	52,361	-
Series 2022B, direct placement	-	54,280	-	54,280	-
Certificates of Participation					
Series 2020, direct placement	6,105,000	-	(350,000)	5,755,000	355,000
Certificates of Participation					
Series 2021 refunding, direct placement	257,430	-	(18,163)	239,267	18,897
Owner Financed Loan	730,400	-	(365,200)	365,200	365,200
Liabilities for Compensated Absences	374,380	30,321	-	404,701	404,701
Total	<u>\$27,865,244</u>	<u>\$ 136,962</u>	<u>\$ (7,661,397)</u>	<u>\$ 20,340,809</u>	<u>\$1,583,798</u>
Business-type Activities					
General Obligation Bonds:					
Refunding GO Bonds					
Series 2020, direct placement	4,662,000	-	(492,000)	4,170,000	499,000
Water Resources Revenue Bonds					
Series 2020, direct placement	7,115,000	-	(280,000)	6,835,000	285,000
Premium on Revenue Bonds	465,198	-	(26,332)	438,866	26,332
Certificates of Participation Series					
2021 Refunding, direct placement	3,861,458	-	(272,436)	3,589,022	283,450
Series 2017 THA Virginia Placer					
Revenue Bonds, direct placement	7,727,000	-	(269,000)	7,458,000	279,000
Parking Revenue Bond Series 2018					
Series 2018, direct placement	3,496,000	-	(254,000)	3,242,000	265,000
THA Series 2021 Housing Bonds	3,930,000	-	(310,000)	3,620,000	330,000
Liabilities for Compensated Absences	41,251	2,500	-	43,751	43,751
Total	<u>\$31,297,907</u>	<u>\$ 2,500</u>	<u>\$ (1,903,768)</u>	<u>\$ 29,396,639</u>	<u>\$2,011,533</u>

Town of Telluride, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Long-term Governmental Activities

Excise Tax Revenue Bonds

The Town issued \$9,655,000 in Excise Tax Refunding Bonds, Series 2010 in August 2010 bearing interest from 2.00% to 5.00%. Principal and interest are payable semiannually on June 1 and December 1 and the final maturity date is December 2036. The bonds were issued to refund the Adjustable Rate Excise Tax Revenue Bonds, Series 2007. These bonds were paid in full during 2022.

Taxable Sales Tax Revenue Bonds

The Town issued Taxable Sales Tax Revenue Bonds, Series 2020 for \$1,900,000 on December 1, 2020 to refund the Taxable Sales Tax Revenue Bonds, Series 2009. The bonds mature on November 1, 2029 and are subject to mandatory sinking fund redemption, payable semi-annually on May 1 and November 1. The bonds carry an interest rate of 2.03%. This bond is subject to redemption prior to its maturity at the option of the Town, in whole but not in part, on November 1, 2025, and on any May 1 or November 1 thereafter, at a redemption price equal to the principal amount of this Bond then outstanding plus accrued interest to the redemption date without a premium. The refunding reduced total debt service payments over the next 9 years by \$336,657. This refunding resulted in an economic gain of \$315,967.

Tax Exempt and Taxable Revenue Bonds

The Town issued Tax-Exempt Revenue Bonds (Sunnyside Housing Project) Series 2021A and Taxable Revenue Bonds (Sunnyside Housing Project) Series 2021B on January 21, 2021 to finance the Sunnyside Housing Project.

The Series 2021A bonds are issued as a single term bond in the maximum amount of \$10,000,000. The bonds are issued as needed for construction of the affordable housing project. The bond proceeds were deposited to a Project Fund. The 2021A bonds mature on December 1, 2040 and bear interest at a fixed rate equal to 2.85% per annum on the unpaid balance of the total principal. Interest payments are made semi-annually on June 1 and December 1 each year commencing June 1, 2021. The 2021A Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium beginning December 1, 2030.

The Series 2021B bonds are issued as a single term bond in the maximum principal amount of \$1,965,000. The 2021B Bonds mature on December 1, 2030 and bear interest at a fixed rate equal to 3.5% per annum on the unpaid balance of the total principal advanced on the 2021B Bonds from the respective Advance Dates to maturity or prior redemption. Interest is payable semi-annually on June 1 and December 1 each year, commencing June 1, 2021. The 2021B Bonds are subject to mandatory sinking fund redemption as a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium. The 2021B Bonds shall be redeemed on December 1 in each of the year commencing in 2023 through 2030.

Town of Telluride, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

The Town issued Tax-Exempt Revenue Bonds (Voo Doo Housing Project) Series 2022A and Taxable Revenue Bonds (Voo Doo Housing Project) Series 2022B on December 29, 2022 to finance the Voo Doo Housing Project.

The Series 2022A bonds are issued as a single term bond in the maximum amount of \$6,070,000, or such lesser amount equal to the aggregate principal amount advanced to the Town. The bonds will mature on December 1, 2032 and bear interest at a fixed rate of 4.690% per annum on the unpaid balance of the total principal advanced on the 2022A bonds from the respective advance dates, to maturity or prior redemption. Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023. The 2022A bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount redeemed plus accrued interest. Principal payments are due on December 1 of each year. The initial advance on the 2022A bonds was \$52,361 and thereafter advances are to be made in the principal amount and at the times set forth in the bond purchase agreement.

The Series 2022B bonds are issued as a single term bond in the maximum principal amount of \$2,245,000 or such lesser amount as shall represent the aggregate principal amount advanced by the purchaser to the Town in accordance with the bond purchase agreement. The 2022B bonds shall mature on December 31, 2032 and bear interest equal to 5.860% per annum on the unpaid balance of the total principal advanced from the advance date to maturity. Interest is due semiannually on June 1 and December 1 each year, commencing June 1, 2023. The 2022B bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount redeemed plus accrued interest. Principal payments are due on December 1 of each year. The initial advance on the 2022B bonds was \$54,280 and thereafter advances are to be made in the principal amount and at the times set forth in the bond purchase agreement.

The advance dates for the 2022A and 2022B bonds are as follows per the bond purchase agreement:

Advance Dates	2022A Bonds	2022B Bonds
Closing Date	\$ 52,361	\$ 54,280
March 1, 2023	52,140	107,734
June 1, 2023	310,938	266,392
September 1, 2023	1,236,238	316,214
December 1, 2023	1,433,619	312,833
March 1, 2024	1,221,483	309,523
June 1, 2024	1,214,237	306,282
September 1, 2024	548,984	353,627
November 30, 2024	-	218,115
	\$ 6,070,000	\$ 2,245,000

Town of Telluride, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Debt service requirements for governmental activities bonded debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 440,000	\$ 824,327	\$ 1,264,327
2024	450,000	821,867	1,271,867
2025	465,000	824,130	1,289,130
2026	480,000	825,942	1,305,942
2027	510,000	842,303	1,352,303
2028-2032	2,201,641	3,546,866	5,748,507
2033-2037	1,970,000	3,148,474	5,118,474
2038-2040	7,060,000	7,625,868	14,685,868
	<u>\$ 13,576,641</u>	<u>\$ 18,459,777</u>	<u>\$ 32,036,418</u>

Certificates of Participation

The Town issued \$9,785,000 in Certificates of Participation, Series 2010 on August 10, 2010 bearing interest from 2.00% to 5.00% and is scheduled to mature in December 2036. Principal and interest are payable semiannually on June 1 and December 1. The COPs were issued to refund the Adjustable Rate Excise Tax Revenue Bonds, Series 2007. These COPs were refunded in 2021.

The Town issued \$6,450,000 in Certificates of Participation, Series 2020 on December 1, 2020. The Certificates were issued to refund the Certificates of Participation, Series 2010. The Certificates mature on December 31, 2036 and bear interest at a rate of 2.10% per annum. Interest is payable semi-annually on each June 1 and December 1, beginning June 1, 2021 with final payment on December 1, 2036. The refunding reduced total debt services payments over the next 15 years by approximately \$3,235,000. This results in an economic gain of \$1,516,798. These Certificates of Participation are secured by buildings owned and occupied by the Town of Telluride.

Minimum future payments under the certificates of participation obligations for governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	373,897	127,674	501,571
2024	384,320	119,681	504,001
2025	389,730	111,465	501,195
2026	405,420	103,133	508,553
2027	411,090	94,466	505,556
2028-2032	2,184,824	336,634	2,521,458
2033-2036	1,844,986	97,312	1,942,298
	<u>\$ 5,994,267</u>	<u>\$ 990,365</u>	<u>\$ 6,984,632</u>

Owner Financed Purchase

Town of Telluride, Colorado

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On December 21, 2018, the Town purchased real property to be used for affordable housing in Telluride. The purchase price of the property was \$2,270,000. The town paid \$444,000 and the owner financed \$1,826,000. The loan is structured like a year to year lease where each year either party may pull out of the agreement. Principal payments of \$365,000 plus interest are due annually beginning on December 1, 2020 with the last payment due on December 1, 2023. Interest accrued on the note at 1.95%. As part of the financing contract, the Town agreed to convey the land to Block 23 to be used for affordable housing.

	Principal	Interest	Total
2023	365,200	7,121	372,321
	\$ 365,200	\$ 7,121	\$ 372,321

Business-Type Activities

General Obligation Bonds

The Town took out a General Obligation Refunding Loan, Series 2021 for the purpose of refunding the Town’s outstanding General Obligation Bonds, Series 2013. The total amount of bonds issued were \$5,146,000 and the total amount paid to escrow, including a contribution from the Town, was \$5,670,000. The interest rate on the bonds is 1.42% and principal and interest payments are due semiannually on June 1 and December 1, commencing on June 1, 2021 with final payment on December 1, 2030. This refunding reduced total debt service payments over the next 10 years by approximately \$1,500,000. The net present value of the savings from the bond refunding was \$627,986.

Revenue Bonds

The Town, when establishing the Virginia Placer fund, a sub fund of the THA fund, recorded the establishment of the Series 2017 Housing Revenue Bonds with an unpaid principal balance of \$8,602,000 with semi-annual payments of approximately \$258,000 at a rate of 3.24% and a final payment of \$2,875,846 to be paid on November 1, 2036. Pledged revenue represents the rent revenue on the housing units. Annual principal and interest payments on the bonds are expected to require approximately 100% of pledged revenues. The Bonds are secured by the land on which the Virginia Placer affordable housing units are constructed.

During 2018, the Town issued the Series 2018 Parking Revenue Bonds as two term bonds with an aggregate amount of \$4,200,000. The Series 2018 bonds were issued to finance the construction of a parking garage and related facilities in Telluride.

Series 2018 Revenue Bonds require annual debt service payments of about \$410,000 including interest with interest rates of 4.21% on \$1,718,000 of bonds maturing on December 1, 2025 and 4.53% on bonds maturing on December 1, 2032. Pledged revenue represents the parking fees collected by the Town of Telluride. Annual principal and interest payments on the bonds are expected to require approximately 100% of pledged revenues.

Water Resources Revenue Bonds 2020, Series A from the Colorado Water Resources and Power Development Authority, were issued on May 1, 2020 for \$7,400,000 to fund the acquisition, construction

Town of Telluride, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

and completion of certain near-term improvements to the Telluride Regional Wastewater Treatment Plan. Payments of interest and principal are due semiannually and interest rates vary from 2% to 4%. These bonds carry a premium of \$517,862 that will be amortized over the life of the bonds. The Bonds are to be paid from fees collected in the Water fund and from any other Town source as necessary.

The Town issued the Telluride Housing Authority Revenue Refunding Bonds (Shandoka Housing Project) Taxable (Convertible Tax-Exempt), Series 2021, on August 3, 2021 in the amount of \$3,990,000 to refund the Telluride Housing Authority Multifamily Housing Revenue Bonds (Shandoka Apartment Project), Series 2002. The bonds are initially issued as taxable, convertible to tax-exempt, on or after January 1, 2022. The bonds initially bear interest at the Taxable rate of 2.63% per annum. Upon conversion, if any, in accordance with the provisions of the Bond Resolution, the Bonds shall bear interest at the rate of 2.08% per annum if the Bonds have been designated by the Authority as Bank Qualified, or 2.19% per annum if the Bonds have not been so designated as Bank Qualified. Interest is paid semiannually on May 1 and November 1 each year commencing November 1, 2021. The bonds mature on November 1, 2032 and are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium. The Town contributed \$1,056,488 to pay off bonds in the amount of \$4,912,421. This refunding reduced total debt service payments over the next 10 years by \$449,933. The net present value of the savings from the bond refunding was \$160,448.

Debt service requirements to maturity for business-type activities bonded debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	1,658,000	747,666	2,405,666
2024	1,693,000	707,657	2,400,657
2025	1,740,000	666,569	2,406,569
2026	1,775,000	621,293	2,396,293
2027	1,818,000	570,809	2,388,809
2028-2032	8,822,000	518,755	9,340,755
2033-2037	6,364,000	464,835	6,828,835
2038-2040	1,455,000	409,041	1,864,041
	<u>\$ 25,325,000</u>	<u>\$ 4,706,625</u>	<u>\$ 30,031,625</u>

Certificates of Participation

The Town issued \$5,755,000 in Certificates of Participation, Series 2013 on October 1, 2013 bearing an effective interest rate not to exceed 5.25% with a scheduled maturity of December 2033. Principal and interest are payable semiannually on June 1 and December 1. \$360,000 of the proceeds from the issuance was used to pay off a 2001 lease reported in the government wide statement of net position. \$5,395,000 of the proceeds was used for infrastructure improvements in the Water Fund. These Certificates of Participation were refunded in 2021.

Town of Telluride, Colorado

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The Town issued \$4,405,000 in Certificates of Participation, Series 2021 on August 19, 2021 to refund the 2013 COP Issue with a payoff amount of \$4,310,244.

The following are the debt service requirements to maturity for the Certificate of Participation in the Water Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	283,450	109,106	392,556
2024	289,802	100,489	390,291
2025	295,953	91,679	387,632
2026	306,293	82,682	388,975
2027	316,356	73,371	389,727
2028-2032	1,722,368	216,790	1,939,158
2033	374,800	11,394	386,194
	<u>\$ 3,589,022</u>	<u>\$ 685,511</u>	<u>\$ 4,274,533</u>

NOTE G – RETIREMENT PLANS

The Town’s full-time marshals are required to participate in the Town of Telluride Marshal’s Plan, created in accordance with Internal Revenue Code Section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings.

Both the employees and the Town contribute 11% upon hire and 12.5% after five years of the employee’s compensation. In 2022, the Town contributed \$99,929 to the plan.

For employees other than marshals, the Town has adopted the Town of Telluride Retirement Plan, created in accordance with the Internal Revenue Code Section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All full-time employees, excluding elected officials, are required to participate in the plan. The Town and employees contribute 3% of employee compensation upon hire, 5% after the 5-year anniversary and 6% after the 10-year anniversary. In 2022, the Town contributed \$215,274 to the plan.

The Town has adopted the Town of Telluride Executive Plan for the manager and attorney, in accordance with Internal Revenue Code Section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Town contributes 10% of compensation for the manager and the manager contributes 6%. The Town contributes 8% of compensation for the town attorney and the town attorney contributes 6%. During 2022, the Town contributed \$27,391 to the plan.

The Town offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the

Town of Telluride, Colorado

NOTES TO FINANCIAL STATEMENTS

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participants or their beneficiaries. The Town has no ownership interest in the plan; nor is the Town liable for any losses under the plan.

NOTE H – PUBLIC ENTITY RISK POOL

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) property and casualty pool, a public entity risk pool. CIRSA provides property, casualty and cyber insurance coverage to the Town. The coverage is provided through joint self-insurance, insurance and reinsurance, or any combination thereof. CIRSA's rate setting policies are established by the Board of Directors, in consultation with independent actuaries. The Board of Directors is elected by the membership for four year terms. The Town is subject to a supplemental assessment in the event of deficiencies, and may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. CIRSA's 2022 Self-Insured Retentions for coverage are as follows:

- Liability - \$1,000,000 each and every loss and/or occurrence
- Public Officials liability - \$1,000,000 each and every claim
- Property - \$500,000 for each and every loss and/or occurrence
- Public Relations and Security Breach - \$100,000 each claim/annual aggregate
- Security and Privacy liability - \$500,000 each claim/annual aggregate

NOTE I – RISK MANAGEMENT

The Town is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Effective November 15, 1997, the Town adopted the Town of Telluride Employee Medical Benefit Plan to provide medical benefits to its employees. The plan self-insures the first \$40,000 per individual per year of covered medical claims. The maximum liability per individual is \$2,000,000 per employee on an annual basis. All funds of the Town participate in the program. The claims liability of \$320,277, reported in the General Fund at December 31, 2022 is based on the requirements of *Governmental Accounting Standards Board Statement No. 10*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

As discussed in Note H, the Town is a member of CIRSA. CIRSA has a legal obligation for claims against its members to the extent that funds are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from

Town of Telluride, Colorado

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excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contribution in the year such excess occurs, although it is not legally required to do so. The ultimate liability to the Town from claims not covered by CIRSA is not presently determinable. Management and the Town’s attorney are of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town’s financial statements.

NOTE J – CONTINGENCIES AND COMMITMENTS

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town. The Town has also received notices of claims for damages. Since no suits have been filed, no determination of any potential liabilities can be made at this time.

The Town receives a significant portion of its revenues from taxes, charges for services, and other income that is generated within the Town limits. This represents a geographic concentration of risk.

NOTE K – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2022, is as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 181,261	8,270,282
Capital improvement fund	9,538,110	-
Open space fund	6,413,078	-
Conservation trust fund	153,148	-
Airline guarantee fund	55,278	-
Energy mitigation fund	330,447	-
Street and Alley fund	236,680	-
Restricted fund	140,581	-
Lodgers' tax fund	568,598	-
Sewer fund	3,548,274	-
Parking fund	913,575	-
Affordable housing fund	95,975	11,111,861
Water fund	1,471,248	-
THA fund	-	4,264,110
Total	<u>\$ 23,646,253</u>	<u>\$ 23,646,253</u>

Due to and due from balances between the funds are primarily related to pooled cash.

Town of Telluride, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers are as follows:

	General	Street and Alley	Energy Mitigation	Debt Service	Restricted	Capital Improvement	Water	Sewer	Total Transfers Out
General	\$ -	\$ -	\$ 50,000	\$ 25,500	\$ -	\$ 1,714,000	\$ -	\$ 815,000	\$ 2,604,500
Capital Improvement	519,820	763,336	-	-	35,908	-	700,000	240,000	2,259,064
Open Space	162,790	-	-	-	-	-	-	-	162,790
Affordable Housing	82,690	-	-	-	-	-	-	-	82,690
Airline Guarantee	50,158	-	-	-	-	-	-	-	50,158
Water	436,991	-	-	-	-	-	-	-	436,991
Sewer	436,991	-	-	-	-	-	-	-	436,991
THA	123,134	-	-	-	-	-	-	-	123,134
Total Transfers In	\$ 1,812,574	\$ 763,336	\$ 50,000	\$ 25,500	\$ 35,908	\$ 1,714,000	\$ 700,000	\$ 1,055,000	\$ 6,156,318

NOTE L – TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as TABOR, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises”. On November 8, 1994, the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning with the year ended December 31, 1994, without limitations imposed by TABOR. TABOR requires that an emergency reserve be maintained in the amount of three percent of the fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR.

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND AND RELATED SUB-FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes				
Sales and retail marijuana taxes	\$ 7,075,933	\$ 9,704,662	\$ 7,897,124	\$ (1,807,538)
Use taxes	605,200	880,000	702,436	(177,564)
Motor vehicle use taxes	300,000	300,000	249,316	(50,684)
Property taxes	829,672	829,672	692,890	(136,782)
Specific ownership tax	36,900	36,900	37,244	344
Penalties and interest on property tax	1,800	1,800	2,176	376
Franchise tax	270,000	270,000	275,363	5,363
Festival attendance tax	124,279	124,279	223,224	98,945
Occupation tax	1,600	1,600	1,126	(474)
	<u>9,245,384</u>	<u>12,148,913</u>	<u>10,080,899</u>	<u>(2,068,014)</u>
Licenses and permits				
Business licenses	528,775	528,775	469,420	(59,355)
Building licenses and permits	400,000	400,000	360,804	(39,196)
Other	82,100	82,100	130,676	48,576
	<u>1,010,875</u>	<u>1,010,875</u>	<u>960,900</u>	<u>(49,975)</u>
Intergovernmental				
Federal				
Other	46,880	48,380	40,475	(7,905)
State				
Mineral leasing	1,500	1,500	10,776	9,276
Highway users	74,000	74,000	78,428	4,428
Tobacco tax	15,000	15,000	15,358	358
Motor vehicle licenses	9,000	9,000	9,516	516
County				
Highway and streets	300,000	300,000	329,305	29,305
Other	653,000	653,000	494,598	(158,402)
	<u>1,099,380</u>	<u>1,100,880</u>	<u>978,456</u>	<u>(122,424)</u>
Charges for services				
General government	743,200	752,200	898,558	146,358
Public works	17,000	21,500	29,607	8,107
Parks and recreation fees	414,040	414,040	449,667	35,627
	<u>1,174,240</u>	<u>1,187,740</u>	<u>1,377,832</u>	<u>190,092</u>
Fines and forfeitures	105,500	113,673	276,591	162,918
Investment earnings	5,000	5,000	426,223	421,223
Miscellaneous	55,441	67,384	40,959	(26,425)
Total revenues	<u>12,695,820</u>	<u>15,634,465</u>	<u>14,141,860</u>	<u>(1,492,605)</u>

Town of Telluride, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Expenditures				
General government				
Council	271,074	296,074	271,946	24,128
Court	47,580	50,620	49,101	1,519
Manager	479,940	568,095	484,500	83,595
Finance	576,100	591,250	545,195	46,055
Town attorney	419,300	426,939	431,120	(4,181)
Clerk	372,038	435,757	425,710	10,047
Planning	299,590	309,090	279,887	29,203
Building division	345,334	345,334	286,915	58,419
General services	1,278,600	1,408,050	1,122,364	285,686
Administrative services	585,160	535,836	474,276	61,560
Building maintenance	211,000	261,000	259,861	1,139
Community support	358,500	358,500	358,500	-
Contract services	712,564	748,338	663,449	84,889
Equipment leasing	214,200	232,600	145,895	86,705
Salary reserve	22,230	542,870	542,870	-
	<u>6,193,210</u>	<u>7,110,353</u>	<u>6,341,589</u>	<u>768,764</u>
Public safety				
Law enforcement	2,320,187	2,352,687	2,070,403	282,284
Public works				
Roads and utility	1,343,953	1,343,953	1,226,192	117,761
Administration and engineering	727,200	732,500	619,090	113,410
	<u>2,071,153</u>	<u>2,076,453</u>	<u>1,845,282</u>	<u>231,171</u>
Culture and recreation				
Parks	931,290	931,290	836,187	95,103
Historic preservation	284,850	291,250	295,777	(4,527)
Recreation	1,223,220	1,291,908	1,234,251	57,657
CASE	253,000	253,000	253,000	-
	<u>2,692,360</u>	<u>2,767,448</u>	<u>2,619,215</u>	<u>148,233</u>
Transportation	<u>1,070,380</u>	<u>1,070,380</u>	<u>866,462</u>	<u>203,918</u>
	<u>14,347,290</u>	<u>15,377,321</u>	<u>13,742,951</u>	<u>1,634,370</u>
Total expenditures				
Excess of revenue over (under) expenditures	(1,651,470)	257,144	398,909	141,765
Other Financing sources (uses)				
Transfers in (out), net	<u>(2,656,635)</u>	<u>(3,191,324)</u>	<u>(791,927)</u>	<u>2,399,397</u>
Total other financing sources (uses)	<u>(2,656,635)</u>	<u>(3,191,324)</u>	<u>(791,927)</u>	<u>2,399,397</u>
Net change in fund balance	(4,308,105)	(2,934,180)	(393,018)	2,541,162
Fund balance beginning	<u>9,279,204</u>	<u>9,513,475</u>	<u>9,513,475</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,971,099</u>	<u>\$ 6,579,295</u>	<u>\$ 9,120,457</u>	<u>\$ 2,541,162</u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPEN SPACE FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes and licenses				
Real estate transfer tax	\$ 1,200,000	\$ 1,800,000	\$ 1,830,424	\$ 30,424
Sales tax	1,578,627	2,157,332	2,186,620	29,288
Property taxes	142,934	142,934	144,503	1,569
Business building license	120,696	120,696	100,780	(19,916)
Miscellaneous revenue	-	-	2,611	2,611
	<u>3,042,257</u>	<u>4,220,962</u>	<u>4,264,938</u>	<u>43,976</u>
Investment earnings	<u>600</u>	<u>600</u>	<u>20,532</u>	<u>19,932</u>
Total revenues	3,042,857	4,221,562	4,285,470	63,908
Expenditures				
Administrative expense	185,785	185,785	117,166	68,619
Stewardship expense	9,473,807	4,043,620	415,165	3,628,455
Principal payments on debt	670,000	6,935,000	6,935,000	-
Interest payments on debt	<u>425,399</u>	<u>425,399</u>	<u>397,546</u>	<u>27,853</u>
Total expenditures	<u>10,754,991</u>	<u>11,589,804</u>	<u>7,864,877</u>	<u>3,724,927</u>
Revenues in excess (deficiency) of expenditures	(7,712,134)	(7,368,242)	(3,579,407)	3,788,835
Other financing sources (uses)				
Transfers out	<u>(162,790)</u>	<u>(162,790)</u>	<u>(162,790)</u>	<u>-</u>
Total other financing sources (uses)	<u>(162,790)</u>	<u>(162,790)</u>	<u>(162,790)</u>	<u>-</u>
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(7,874,924)	(7,531,032)	(3,742,197)	3,788,835
Fund balance, beginning	<u>11,227,760</u>	<u>11,227,760</u>	<u>11,227,760</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 3,352,836</u></u>	<u><u>\$ 3,696,728</u></u>	<u><u>\$ 7,485,563</u></u>	<u><u>\$ 3,788,835</u></u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - AFFORDABLE HOUSING FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes				
Sales taxes	\$ 873,492	\$ 1,202,084	\$ 1,222,274	\$ 20,190
Short-term rental excise tax	600,000	1,252,000	1,294,560	42,560
Property taxes	696,974	696,972	696,236	(736)
Short-term rental business licenses	-	170,000	170,170	170
Specific ownership taxes	24,000	24,000	31,174	7,174
Use taxes	74,800	114,800	108,522	(6,278)
	<u>2,269,266</u>	<u>3,459,856</u>	<u>3,522,936</u>	<u>63,080</u>
Housing mitigation and THA fees	710,000	1,010,000	1,010,161	161
Investment earnings	1,000	1,000	50,073	49,073
Rent income	15,600	15,600	14,757	(843)
Total revenues	<u>2,995,866</u>	<u>4,486,456</u>	<u>4,597,927</u>	<u>111,471</u>
Expenditures				
Housing set aside	2,763,153	12,655,371	12,767,943	(112,572)
Administration	105,375	105,375	106,552	(1,177)
Operating support	4,500	22,500	10,986	11,514
Principal payments on debt	565,000	565,000	565,200	(200)
Interest payments on debt	48,855	48,855	49,729	874
Fiscal agent fees	500	500	-	(500)
Total expenditures	<u>3,487,383</u>	<u>13,397,601</u>	<u>13,500,410</u>	<u>(102,061)</u>
Revenues in excess (deficiency) of expenditures	(491,517)	(8,911,145)	(8,902,483)	9,410
Other financing sources (uses)				
Proceeds from bond issuance	5,915,000	8,072,712	8,125,073	52,361
Payments to escrow	(5,915,000)	-	-	-
Lot E Repayment	50,885	50,886	50,886	-
Transfers out	(82,690)	(82,690)	(82,690)	-
Total other financing sources (uses)	<u>(31,805)</u>	<u>8,040,908</u>	<u>8,093,269</u>	<u>52,361</u>
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(523,322)	(870,237)	(809,214)	61,771
Fund balance, beginning	<u>2,337,111</u>	<u>2,337,111</u>	<u>2,337,111</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,813,789</u>	<u>\$ 1,466,874</u>	<u>\$ 1,527,897</u>	<u>\$ 61,771</u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Taxes				
Real estate transfer tax	\$ 6,000,000	\$ 9,000,000	\$ 7,321,695	\$ (1,678,305)
	<u>6,000,000</u>	<u>9,000,000</u>	<u>7,321,695</u>	<u>(1,678,305)</u>
Intergovernmental	<u>130,000</u>	<u>181,158</u>	<u>24,945</u>	<u>(156,213)</u>
Total revenues	6,130,000	9,181,158	7,346,640	(1,834,518)
Expenditures				
Equipment and other	447,500	480,202	109,486	370,716
Capital construction	<u>3,546,500</u>	<u>6,105,563</u>	<u>2,558,088</u>	<u>3,547,475</u>
Total expenditures	<u>3,994,000</u>	<u>6,585,765</u>	<u>2,667,574</u>	<u>3,918,191</u>
Revenues in excess (deficiency) of expenditures	<u>2,136,000</u>	<u>2,595,393</u>	<u>4,679,066</u>	<u>2,083,673</u>
Other financing sources (uses)				
Proceeds from debt issuance	-	-	54,280	54,280
Proceeds from sale of assets	12,000	1,005,853	1,022,319	16,466
Transfers in	1,714,000	1,714,000	1,714,000	-
Transfers out	<u>(4,093,156)</u>	<u>(4,809,064)</u>	<u>(2,259,064)</u>	<u>2,550,000</u>
Total other financing sources (uses)	<u>(2,367,156)</u>	<u>(2,089,211)</u>	<u>531,535</u>	<u>2,620,746</u>
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(231,156)	506,182	5,210,601	4,704,419
Fund balance, beginning	<u>5,676,637</u>	<u>5,676,637</u>	<u>5,676,637</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,445,481</u>	<u>\$ 6,182,819</u>	<u>\$ 10,887,238</u>	<u>\$ 4,704,419</u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONSERVATION TRUST FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
State of Colorado Lottery	\$ 25,000	\$ 31,360	\$ 33,355	\$ 1,995
Other	38	38	71	33
Total Revenues	25,038	31,398	33,426	2,028
Expenditures				
Parks improvements	25,038	28,325	23,325	5,000
Total Expenditures	25,038	28,325	23,325	5,000
Revenues in excess (deficiency) of expenditures	-	3,073	10,101	7,028
Fund balance, beginning	143,047	143,047	143,047	-
Fund balance, ending	<u>\$ 143,047</u>	<u>\$ 146,120</u>	<u>\$ 153,148</u>	<u>\$ 7,028</u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - AIRLINE GUARANTEE FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Excise taxes	\$ 1,474,549	\$ 2,514,549	\$ 2,507,913	\$ (6,636)
Expenditures				
Economic development	1,445,058	2,464,258	2,457,755	6,503
Revenues in excess (deficiency) of expenditures	29,491	50,291	50,158	(133)
Other financing (uses) Transfers out	(29,491)	(50,291)	(50,158)	133
Revenues in excess (deficiency) of expenditures and other financing (uses)	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - ENERGY MITIGATION FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Fees	\$ 155,000	\$ 155,000	\$ 225,289	\$ 70,289
Credits	5,000	5,000	14,067	9,067
Total revenues	160,000	160,000	239,356	79,356
Expenditures				
Energy projects	345,000	345,000	535,730	(190,730)
Total expenditures	345,000	345,000	535,730	(190,730)
Revenues in excess (deficiency) of expenditures	(185,000)	(185,000)	(296,374)	(111,374)
Other financing sources				
Transfers in	50,000	50,000	50,000	-
Revenues and other financing sources sources in excess (deficiency) of expenditures	(135,000)	(135,000)	(246,374)	(111,374)
Fund balance, beginning	539,221	539,221	539,221	-
Fund balance, ending	<u>\$ 404,221</u>	<u>\$ 404,221</u>	<u>\$ 292,847</u>	<u>\$ (111,374)</u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET AND ALLEY FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Intergovernmental revenue	\$ -	\$ 8,279	\$ -	\$ (8,279)
	-	8,279	-	(8,279)
Expenditures				
Public works expenditures	854,706	934,706	853,178	81,528
Revenues in excess (deficiency) of expenditures	(854,706)	(926,427)	(853,178)	73,249
Other financing sources (uses)				
Transfers in	683,336	763,336	763,336	-
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	(171,370)	(163,091)	(89,842)	73,249
Fund balance, beginning	306,406	306,406	306,406	-
Fund balance, ending	<u>\$ 135,036</u>	<u>\$ 143,315</u>	<u>\$ 216,564</u>	<u>\$ 73,249</u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Debt issuance costs	-	-	-	-
Debt service				
Principal	18,163	18,163	18,163	-
Interest	7,337	7,337	7,337	-
Total expenditures	25,500	25,500	25,500	-
Revenues in excess (deficiency) of expenditures	(25,500)	(25,500)	(25,500)	-
Other financing sources (uses)				
Refunding debt payments	-	-	-	-
Debt proceeds	-	-	-	-
Transfers in	25,500	25,500	25,500	-
Total other financing sources	25,500	25,500	25,500	-
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

Town of Telluride

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - RESTRICTED FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges	\$ 10,100	\$ 10,100	\$ 22,236	\$ 12,136
Intergovernmental	-	-	-	-
Donations	2,500	37,500	34,262	(3,238)
Total revenues	12,600	47,600	56,498	8,898
Expenditures				
Culture and recreation	12,500	161,500	91,981	69,519
Revenues in excess (deficiency) of expenditures	100	(113,900)	(35,483)	78,417
Other financing sources (uses)				
Transfers in	-	35,908	35,908	-
Total other financing sources (uses)	-	35,908	35,908	-
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	100	(77,992)	425	78,417
Fund balance, beginning	137,052	137,052	137,052	-
Fund balance, ending	<u>\$ 137,152</u>	<u>\$ 59,060</u>	<u>\$ 137,477</u>	<u>\$ 78,417</u>

Town of Telluride

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - TOWN LODGERS' TAX

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Town lodger's tax	\$ -	\$ 1,200,000	\$ 1,163,598	\$ (36,402)
Expenditures				
Marketing	-	600,000	595,000	5,000
Revenues in excess (deficiency) of expenditures	-	600,000	568,598	(41,402)
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 568,598</u>	<u>\$ (41,402)</u>

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - WATER FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges for services	\$ 1,970,220	\$ 1,970,220	\$ 2,072,167	\$ 101,947
Tap fees	265,000	265,000	290,623	25,623
Meter sales	15,000	15,000	27,229	12,229
Penalties and interest on property taxes	1,200	1,200	1,691	491
Interest income	2	2	-	(2)
Other charges for services	38,000	38,000	58,961	20,961
Total revenues	<u>2,289,422</u>	<u>2,289,422</u>	<u>2,450,671</u>	<u>161,249</u>
Expenditures				
Personal services	320,720	320,720	274,601	46,119
Purchased services	355,650	433,150	346,307	86,843
Principal	764,439	764,439	764,439	-
Interest	176,251	176,251	176,252	(1)
Capital repairs and maintenance	10,000	10,000	34,534	(24,534)
Capital outlay	2,072,000	2,247,000	1,491,269	755,731
Total expenditures	<u>3,699,060</u>	<u>3,951,560</u>	<u>3,087,402</u>	<u>864,158</u>
Operating income (loss)	(1,409,638)	(1,662,138)	(636,731)	(702,909)
Non-operating Revenues and Expenses				
Property taxes	558,200	558,200	555,986	(2,214)
Specific ownership taxes	24,000	24,000	24,979	979
Grants	623,096	798,096	-	(798,096)
Insurance proceeds	-	-	352,317	352,317
Treasurer's Fees	(13,300)	(13,300)	(11,154)	(2,146)
Transfers in	700,000	700,000	700,000	-
Transfers out	(436,991)	(436,991)	(436,991)	-
Total non-operating revenues (expenses)	<u>1,455,005</u>	<u>1,630,005</u>	<u>1,185,137</u>	<u>(449,160)</u>
Net Income - Budgetary Basis	<u>\$ (1,409,638)</u>	<u>\$ (1,662,138)</u>	548,406	<u>\$ 1,025,407</u>
Adjustments to GAAP basis				
Principal payments on debt			764,439	
Capital outlay			1,491,269	
Depreciation expense			(1,143,303)	
Net income - GAAP Basis			<u>1,660,811</u>	
Net position, beginning			<u>15,586,237</u>	
Net position, ending			<u>\$ 17,247,048</u>	

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL- SEWER FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues				
Charges for services	\$ 2,293,509	\$ 2,293,508	\$ 2,487,489	\$ 193,981
Tap fees	375,000	375,000	476,632	101,632
Mountain Village Metropolitan District	2,646,707	2,646,707	762,034	(1,884,673)
Interest income	70	70	444	374
Other revenues	30,000	30,000	30,377	377
Total revenues	<u>5,345,286</u>	<u>5,345,285</u>	<u>3,756,976</u>	<u>(1,588,309)</u>
Expenses				
Personal services	523,530	523,530	400,998	122,532
Purchased services	965,500	798,360	849,689	(51,329)
Capital outlay	6,055,000	6,401,000	601,355	5,799,645
Debt service principal	280,000	280,000	280,000	-
Debt service interest	235,100	235,100	207,108	27,992
Total expenses	<u>8,059,130</u>	<u>8,237,990</u>	<u>2,339,150</u>	<u>5,898,840</u>
Operating income (loss)	<u>(2,713,844)</u>	<u>(2,892,705)</u>	<u>1,417,826</u>	<u>(7,487,149)</u>
Non-operating Revenues and Expenses				
Transfers in	1,055,000	1,055,000	1,055,000	-
Transfers out	<u>(436,991)</u>	<u>(436,991)</u>	<u>(436,991)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>618,009</u>	<u>618,009</u>	<u>618,009</u>	<u>-</u>
Net income - Budgetary Basis	<u>\$ (2,713,844)</u>	<u>\$ (2,892,705)</u>	<u>2,035,835</u>	<u>\$ 4,310,531</u>
Adjustments to GAAP basis				
Bond principal			280,000	
Capital outlay			601,355	
Depreciation expense			<u>(485,878)</u>	
Net income (loss) - GAAP Basis			2,431,312	
Net position, beginning			<u>11,290,729</u>	
Net position, ending			<u>\$ 13,722,041</u>	

Town of Telluride, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - PARKING FUND

Year ended December 31, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Operating Revenues				
Charges for services	\$ 511,879	\$ 545,029	\$ 513,231	\$ (31,798)
Insurance proceeds	-	2,715	2,715	-
Total revenues	<u>511,879</u>	<u>547,744</u>	<u>515,946</u>	<u>(31,798)</u>
Operating Expenses				
Costs of sales and service	139,786	182,711	134,585	48,126
Capital outlay	-	273,511	98,512	174,999
Debt service				
Principal	254,000	254,000	254,000	-
Interest	155,028	155,028	155,028	-
Total expenses	<u>548,814</u>	<u>865,250</u>	<u>642,125</u>	<u>223,125</u>
Operating income (loss)	<u>(36,935)</u>	<u>(317,506)</u>	<u>(126,179)</u>	<u>191,327</u>
Change in net position -budgetary basis	<u>\$ (36,935)</u>	<u>\$ (317,506)</u>	<u>(126,179)</u>	<u>\$ 191,327</u>
Adjustments to GAAP basis				
Capital outlay			-	
Principal payment on debt			254,000	
Depreciation expense			(513,555)	
Net income - GAAP basis			<u>(385,734)</u>	
Net position, beginning			<u>4,181,117</u>	
Net position, ending			<u>\$ 3,795,383</u>	

Town of Telluride, Colorado

GENERAL FUND AND RELATED SUB-FUNDS
COMBINING BALANCE SHEET

Year ended December 31, 2022

	General	Transportation	Total
ASSETS			
Cash	\$ 1,204,754	\$ -	\$ 1,204,754
Investments	18,120,847	-	18,120,847
Receivables			
Taxes	869,180	-	869,180
Accounts	272,285	-	272,285
Intergovernmental	119,720	68,346	188,066
Due from other funds	-	181,261	181,261
Total assets	<u>20,586,786</u>	<u>249,607</u>	<u>20,836,393</u>
LIABILITIES			
Accounts payable	760,554	2,862	763,416
Deposits	792,693	-	792,693
Unearned revenue	1,020,365	-	1,020,365
Due to other funds	8,270,282	-	8,270,282
Total liabilities	<u>10,843,894</u>	<u>2,862</u>	<u>10,846,756</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - property taxes	869,180	-	869,180
Total deferred inflows of resources	<u>869,180</u>	<u>-</u>	<u>869,180</u>
FUND BALANCE			
Restricted			
Emergency	970,588	-	970,588
Assigned			
Transportation	-	246,745	246,745
Unassigned	7,903,124	-	7,903,124
Total fund balance	<u>\$ 8,873,712</u>	<u>\$ 246,745</u>	<u>\$ 9,120,457</u>

Town of Telluride, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND AND RELATED SUB-FUNDS

Year ended December 31, 2022

	General Fund				Transportation Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Actual
Revenues									
Taxes									
Sales taxes	\$ 7,075,933	\$ 9,704,662	\$ 7,897,123	\$ (1,807,539)	\$ -	\$ -	\$ -	\$ -	\$ 7,897,123
Use taxes	605,200	880,000	702,436	(177,564)	-	-	-	-	702,436
Motor vehicle use taxes	300,000	300,000	249,316	(50,684)	-	-	-	-	249,316
Property taxes	829,672	829,672	692,890	(136,782)	-	-	-	-	692,890
Specific ownership tax	36,900	36,900	37,244	344	-	-	-	-	37,244
Penalties and interest on property tax	1,800	1,800	2,176	376	-	-	-	-	2,176
Franchise tax	270,000	270,000	275,363	5,363	-	-	-	-	275,363
Festival attendance tax	124,279	124,279	223,224	98,945	-	-	-	-	223,224
Occupation tax	1,600	1,600	1,126	(474)	-	-	-	-	1,126
	<u>9,245,384</u>	<u>12,148,913</u>	<u>10,080,898</u>	<u>(2,068,015)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,080,898</u>
Licenses and permits									
Business licenses	528,775	528,775	469,420	(59,355)	-	-	-	-	469,420
Building licenses and permits	400,000	400,000	360,804	(39,196)	-	-	-	-	360,804
Other	82,100	82,100	130,676	48,576	-	-	-	-	130,676
	<u>1,010,875</u>	<u>1,010,875</u>	<u>960,900</u>	<u>(49,975)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>960,900</u>
Intergovernmental									
State and federal									
Mineral leasing	1,500	1,500	10,776	9,276	-	-	-	-	10,776
Highway users	74,000	74,000	78,428	4,428	-	-	-	-	78,428
Tobacco tax	15,000	15,000	15,358	358	-	-	-	-	15,358
Motor vehicle licenses	9,000	9,000	9,516	516	-	-	-	-	9,516
Other	46,880	48,380	40,475	(7,905)	650,000	650,000	493,293	-	533,768
County									
Highway and streets	300,000	300,000	329,305	29,305	-	-	-	-	329,305
Other	3,000	3,000	1,305	(1,695)	-	-	-	-	1,305
	<u>449,380</u>	<u>450,880</u>	<u>485,163</u>	<u>34,283</u>	<u>650,000</u>	<u>650,000</u>	<u>493,293</u>	<u>-</u>	<u>978,456</u>
Charges for services									
General government	743,200	752,200	898,558	146,358	-	-	-	-	898,558
Public works	17,000	21,500	29,607	8,107	-	-	-	-	29,607
Parks and recreation fees	414,040	414,040	449,667	35,627	-	-	-	-	449,667
	<u>1,174,240</u>	<u>1,187,740</u>	<u>1,377,832</u>	<u>190,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,377,832</u>
Fines and forfeitures	105,500	113,673	276,591	162,918	-	-	-	-	276,591
Investment earnings	5,000	5,000	426,223	421,223	-	-	-	-	426,223
Miscellaneous	55,441	67,384	40,959	(26,425)	-	-	-	-	40,959
Total Revenues	<u>12,045,820</u>	<u>14,984,465</u>	<u>13,648,566</u>	<u>(1,335,899)</u>	<u>650,000</u>	<u>650,000</u>	<u>493,293</u>	<u>-</u>	<u>14,141,859</u>

Town of Telluride, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND AND RELATED SUB-FUNDS

For the Year Ended December 31, 2022

	General Fund				Transportation Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Actual
Expenditures									
General government									
Council	271,074	296,074	271,946	24,128	-	-	-	-	271,946
Court	47,580	50,620	49,101	1,519	-	-	-	-	49,101
Manager	479,940	568,095	484,500	83,595	-	-	-	-	484,500
Finance	576,100	591,250	545,195	46,055	-	-	-	-	545,195
Town attorney	419,300	426,939	431,120	(4,181)	-	-	-	-	431,120
Clerk	372,038	435,757	425,710	10,047	-	-	-	-	425,710
Planning	299,590	309,090	279,887	29,203	-	-	-	-	279,887
Building division	345,334	345,334	286,915	58,419	-	-	-	-	286,915
General services	1,278,600	1,408,050	1,122,364	285,686	-	-	-	-	1,122,364
Administrative services	585,160	535,836	474,276	61,560	-	-	-	-	474,276
Building maintenance	211,000	261,000	259,861	1,139	-	-	-	-	259,861
Community support	358,500	358,500	358,500	-	-	-	-	-	358,500
Contract services	712,564	748,338	663,449	84,889	-	-	-	-	663,449
Equipment leasing	214,200	232,600	145,895	86,705	-	-	-	-	145,895
Salary reserve	22,230	542,870	542,870	-	-	-	-	-	542,870
	6,193,210	7,110,353	6,341,589	768,764	-	-	-	-	6,341,589
Public safety									
Law enforcement	2,320,187	2,352,687	2,070,403	282,284	-	-	-	-	2,070,403
Public works									
Roads and utility	1,343,953	1,343,953	1,226,192	117,761	-	-	-	-	1,226,192
Administration and engineering	727,200	732,500	619,090	113,410	-	-	-	-	619,090
	2,071,153	2,076,453	1,845,282	231,171	-	-	-	-	1,845,282
Culture and recreation									
Parks	931,290	931,290	836,187	95,103	-	-	-	-	836,187
Historic preservation	284,850	291,250	295,777	(4,527)	-	-	-	-	295,777
Recreation	1,223,220	1,291,908	1,234,251	57,657	-	-	-	-	1,234,251
CASE	253,000	253,000	253,000	-	-	-	-	-	253,000
	2,692,360	2,767,448	2,619,215	148,233	-	-	-	-	2,619,215
Transportation	-	-	-	-	1,070,380	1,070,380	866,462	203,918	866,462
Total expenditures	13,276,910	14,306,941	12,876,489	1,430,452	1,070,380	1,070,380	866,462	203,918	13,742,951
Excess of revenue over (under) expenditures	(1,231,090)	677,524	772,077	94,553	(420,380)	(420,380)	(373,169)	203,918	398,908

Town of Telluride, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND AND RELATED SUB-FUNDS

Year ended December 31, 2022

	General Fund				Transportation Fund				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Actual
Other Financing sources (uses)									
Transfers in	1,484,480	1,507,065	1,506,932	(133)	400,000	400,000	400,000	-	1,906,932
Transfers out	(4,446,757)	(5,004,031)	(2,604,500)	2,399,531	(94,358)	(94,358)	(94,358)	-	(2,698,858)
Total other financing sources (uses)	(2,962,277)	(3,496,966)	(1,097,568)	2,399,398	305,642	305,642	305,642	-	(791,926)
Net change in fund balance	(4,193,367)	(2,819,442)	(325,491)	2,493,951	(114,738)	(114,738)	(67,527)	203,918	(393,018)
Fund balance beginning	9,199,203	9,199,203	9,199,203	-	80,001	314,272	314,272	-	9,513,475
Fund balance, ending	<u>\$ 5,005,836</u>	<u>\$ 6,379,761</u>	<u>\$ 8,873,712</u>	<u>\$ 2,493,951</u>	<u>\$ (34,737)</u>	<u>\$ 199,534</u>	<u>\$ 246,745</u>	<u>\$ 203,918</u>	<u>\$ 9,120,457</u>

Town of Telluride

THA FUND
COMBINING BALANCE SHEET

Year ended December 31, 2022

	<u>Shandoka</u>	<u>Virginia Placer</u>	<u>Sunnyside</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 4,971,320	\$ 261,939	\$ -	\$ 5,233,259
Receivables				
Trade	8,330	5,152	2,591	16,073
Restricted cash and investments	70,190	1,269	-	71,459
Capital assets:				
Non-depreciable				
Land	4,413,000	-	-	4,413,000
Depreciable, net of accumulated depreciation				
Buildings	11,527,998	8,627,001	-	20,154,999
Equipment	220,279	-	-	220,279
Infrastructure	207,269	-	-	207,269
Accumulated depreciation	<u>(6,901,440)</u>	<u>(1,326,248)</u>	<u>-</u>	<u>(8,227,688)</u>
Net capital assets	<u>9,467,106</u>	<u>7,300,753</u>	<u>-</u>	<u>16,767,859</u>
Total assets	<u>14,516,946</u>	<u>7,569,113</u>	<u>2,591</u>	<u>22,088,650</u>
LIABILITIES				
Accounts payable	68,099	10,912	6,103	85,114
Due to (from) other funds	4,704,851	(407,651)	(33,090)	4,264,110
Security deposits	212,558	58,522	29,320	300,400
Unearned revenue	-	-	-	-
Accrued interest payable	62,116	-	-	62,116
Accrued compensated absences	20,937	886	-	21,823
Noncurrent liabilities				
Due within one year	330,000	279,000	-	609,000
Due after one year	3,290,000	7,179,000	-	10,469,000
Total liabilities	<u>8,688,561</u>	<u>7,120,669</u>	<u>2,333</u>	<u>15,811,563</u>
NET POSITION				
Net investment in capital assets	5,847,106	(157,247)	-	5,689,859
Restricted for debt service	70,190	1,269	-	71,459
Unrestricted (deficit)	<u>(88,911)</u>	<u>604,422</u>	<u>258</u>	<u>515,769</u>
	<u>\$ 5,828,385</u>	<u>\$ 448,444</u>	<u>\$ 258</u>	<u>\$ 6,277,087</u>

Town of Telluride

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET TO ACTUAL - THA FUND

Year ended December 31, 2022

	Shandoka Fund				Virginia Placer Fund				Sunnyside Fund				Total Actual
	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance	
Operating Revenues													
Charges for sales and services	\$ 1,888,698	\$ 1,888,698	\$ 1,928,850	\$ 40,152	\$ 506,913	\$ 506,913	\$ 543,679	\$ 36,766	\$ 313,224	\$ 313,224	\$ 66,532	\$ (246,692)	\$ 2,539,061
Miscellaneous	58,500	58,500	86,322	27,822	2,600	2,600	4,778	2,178	3,454	3,454	3,420	(34)	94,520
Total operating revenue	1,947,198	1,947,198	2,015,172	67,974	509,513	509,513	548,457	38,944	316,678	316,678	69,952	(246,726)	2,633,581
Operating Expenses													
Costs of sales and service	1,542,796	1,136,625	1,163,336	(26,711)	139,970	158,051	157,086	965	36,220	36,220	36,186	34	1,356,608
Capital outlay	807,050	807,050	23,959	783,091	-	-	-	-	-	-	-	-	23,959
Debt service:													
Principal	355,237	355,237	355,238	(1)	269,000	269,000	269,000	-	-	-	-	-	624,238
Interest	104,781	104,781	104,023	758	248,725	248,200	248,725	(525)	263,263	263,263	243,508	19,755	596,256
Total operating expenses	2,809,864	2,403,693	1,646,556	757,137	657,695	675,251	674,811	440	299,483	299,483	279,694	19,789	2,601,061
Operating income (loss)	(862,666)	(456,495)	368,616	825,111	(148,182)	(165,738)	(126,354)	39,384	17,195	17,195	(209,742)	(226,937)	32,520
Non-operating Revenues (Expenses)													
Investment earnings	900	900	28,948	28,048	-	-	262	(262)	-	-	-	-	29,210
Intergovernmental grants and contrit	-	-	-	-	-	-	-	-	40,000	40,000	210,000	(170,000)	210,000
Transfers in	750,000	750,000	-	(750,000)	-	3,056	3,056	-	-	-	-	-	3,056
Transfers out	(123,134)	(126,190)	(126,190)	-	-	-	-	-	-	-	-	-	(126,190)
Total non-operating revenues (expenses)	627,766	624,710	(97,242)	(721,952)	-	3,056	3,318	(262)	40,000	40,000	210,000	(170,000)	116,076
Change in net position - budgetary basis	\$ (234,900)	\$ 168,215	271,374	\$ 103,159	\$ (148,182)	\$ (162,682)	(123,036)	\$ 39,122	\$ 57,195	\$ 57,195	258	\$ (396,937)	148,596
Capital outlay			23,959				-				-		23,959
Depreciation expense			(328,121)				(287,567)				-		(615,688)
Debt service principal			355,238				269,000				-		624,238
Change in Net Position - GAAP Basis			322,450				(141,603)				258		181,105
Net Position, beginning of year			5,505,935				590,047				-		6,095,982
Net Position, end of year			\$ 5,828,385				\$ 448,444				\$ 258		\$ 6,277,087

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Telleride
		YEAR ENDING : December 2022
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	Kailey Ranta (970) 728-2163

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	136,772
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,122,297
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	178,469
2. General fund appropriations	1,825,641	b. Snow and ice removal	306,548
3. Other local imposts (from page 2)	213,245	c. Other	
4. Miscellaneous local receipts (from page 2)	22,095	d. Total (a. through c.)	485,017
5. Transfers from toll facilities		4. General administration & miscellaneous	229,063
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	175,777
a. Bonds - Original Issues		6. Total (1 through 5)	2,148,926
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	2,060,981	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	87,945	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,148,926	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	2,148,926

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0		0	0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	2,148,926	2,148,926	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2022

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	22,095
1. Sales Taxes	(153,304)	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	329,305	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	37,244	g. Other Misc. Receipts	
6. Total (1. through 5.)	213,245	h. Other	
c. Total (a. + b.)	213,245	i. Total (a. through h.)	22,095
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	78,428	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	9,516	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,516	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	87,944	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		136,772	136,772
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	136,772	136,772
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	136,772	136,772
			(Carry forward to page 1)

Notes and Comments: