

Town of Rico Memorandum

Date: August 11, 2023

TO: Town of Rico Board of Trustees

From: Chauncey McCarthy

Review and approval 2022 fiscal year audit

Included in the packet is the 2022 fiscal year audit conducted by Atlas CPA. I have reviewed the audit in its entirety and have no concerns. There was one material weakness noticed over the inadequate segregation of duties. This is due to limited size and staffing resources. The schedule of findings and responses is located on page 44 of the audit.

Consideration of second reading of Ordinance No. 2023-05 an ordinance of the Board of Trustees of the Town of Rico, Colorado amending the year 2023 budget and approving supplemental appropriations of money

Included in the packet is ordinance 2023-05 which would amend the 2023 budget to reflect additional revenue and expenditures. This budget amendment is necessary as it addresses revenue from the DOLA grant, lease purchase through Vectra bank, sale of commercial owned space and couple of other items. Expenditures were revised to include the construction of the Town Shop and lease purchase payment. Included with the ordinance is amended 2023 budget. Any line item in the budget that was amended is highlighted in yellow.

The first reading of this ordinance was August 2, 2023 and was approved unanimously with the condition that a couple of corrections be made. Those corrections have been made and a clean copy has been provided.

Consideration of liquor license renewal for Boulder City Mixology LLC, DBA Enterprise Bar and Grill

Included in this packet is a liquor license renewal for Boulder City Mixology LLC, DBA Enterprise Bar and Grill. This application is complete and compliant.

Consideration of liquor license renewal for Motherlode Liquors LLC

Included in this packet is a liquor license renewal for Motherlode Liquors LLC. This application is complete and compliant.

Voluntary lead soils clean up (“VCUP”) status

Mayor Pieterse to provide an update on the Voluntary lead soils clean up status.

Electric vehicle charging rates

The board should discuss what would be an acceptable rate for the Town’s EV charging station. During the month of July, the EV charging station increased the courthouse’s electric bill by over \$400. This station is not subsidized through a grant. Town staff worked with ChargePoint, the EV station provider, in hopes of addressing the increased power expense. ChargePoint staff drafted a rate schedule in which the town adopted. Since this rate schedule was drafted by ChargePoint town staff did not compare the rate to other stations within the area. It was flagged by members of the community that this station’s rate is much

higher than the industry average. The station has since been made free again, but the town is not in a position to absorb the cost.

Parks and recreation improvements proposed budget

Included in the packet for the board's review is the park and recreation improvements proposed budget. This budget was drafted by FMP consulting based upon the input provided by the community during the July 10, 2023 meeting.

Short term rental restriction letter from Scott Smith

Included in the packet is a letter from Scott Smith addressing the town's STR restriction. The town board adopted an STR ordinance in June 2022. With a year of enforcement under our belts, there may be value in the board discussing the current ordinance and determining if there are any components that should be modified.

RICO TOWN BOARD MEETING MINUTES

Date: August 2, 2023

Call to Order 7:01

Trustees Present: Mayor Nicole Pieterse
Mayor Pro Tem Patrick Fallon
Trustee Benn Vernadakis
Trustee Jordan Carr
Trustee Joe Croke
Trustee Chris Condon

Trustees Absent:
Trustee Joe Dillsworth

Staff Present. Chauncey McCarthy, Anna Wolf

Approval of the Agenda

Motion

To approve the agenda.

Moved by Trustee Chris Condon, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 6-0.

Approval of Minutes

Add who voted no on the May 17th meeting motion on page 1030.

Motion

To approve the May 17, February 15, June 21, 2023 minutes with correction.

Moved by Mayor Nicole Pieterse, seconded by Mayor Pro Tem Patrick Fallon.

Vote. A roll call vote was taken and the motion was approved, 6-0.

Public Comment:

Nicole Pieterse commented that the revision of the VCUP funding agreement came back. There will be a phone call tomorrow morning regarding it.

Other VCUP assessments and completions are happening around town. These are not part of the Town wide VCUP proposal.

Action Items

Consideration of first reading of Ordinance No. 2023-05 an ordinance of the Board of Trustees of the Town of Rico, Colorado amending the year 2023 budget and approving supplemental appropriations of money

Chauncey McCarthy gave summary.

Mayor Pro Tem requested a meeting with the Town Manager to go over the budget and answer questions before the second reading.

Public Comment:

Allyn Svoboda: Asked funding question regarding why the funding is in the general fund rather than a separate account. The Town manager explained the regulations on Town funding. Jonathan Hay asked where the budget can be found to review. Mayor Nicole Pieterse commended Town Manager Chauncey McCarthy on getting the \$987,000 Grant for the new Town shop.

Motion

To approve first reading of Ordinance No. 2023-05 an ordinance of the Board of Trustees of the Town of Rico, Colorado amending the year 2023 budget and approving supplemental appropriations of money with the 2 corrections noted.

Moved by Mayor Pro Tem Pat Fallon, seconded by Trustee Chris Condon.

Vote. A roll call vote was taken and the motion was approved, 6-0

Discussion Items:

Dust mitigation and road conditions

Mayor Nicole Pieterse explains that there is a lot of misinformation out there. The best way to be informed is to attend the Board meetings. Dust is not a new condition in Rico. She explained that Governments funds need to be spent within their category. Sewer nor Park funds can be spent on Street issues.

The Street fund only received 1.7 mil levy's which is not enough to cover staff salaries or snow removal.

The Board has never voted against a water truck or mag chloride. 10 years ago when there was dust control the Board received a lot of complaints and it was not affordable for the Town.

Trustee Benn Vernadakis explained that 2 years ago there was a street mil levy on the Ballot that got voted down by the citizens.

Trustee Joe Croke explains that if the VCUP were to pass it will resolve the dust issue.

Trustee Chris Condon asks for clarification for the citizens on what the capping of the road will look like if the VCUP passes.

Town Manager Chauncey McCarthy explains the VCUP mitigation process on the roads. This would include extensive engineering of the roads including storm water system. These improvements would capture the water rather than have it erode the roads. The top 12 inches of the road would be replaced with clean road base.

The Town Manager has looked into dust mitigation options. No other municipality uses or recommends spreading water as it is ineffective. Pet and environmentally friendly options are 5-7 times more expensive.

The Town is looking into potentially borrowing a truck from the county or looking into monthly rentals for a water truck. This is not a long term solution however.

Mayor Nicole Pieterse explains that grants for general operations are few and far between. It takes more than just the Water truck. Lots of expense associated with this that the Street fund does not have.

Mayor Pro Tem Pat Fallon expresses that there are many different topics being discussed and asked the public to focus on the subject at hand during Public Comment.

Public Comment:

Clay Hall: He is concerned about the construction dust from the Dolores River Trail subdivision improvements. He would like to figure out who is responsible for this dust. A water truck would not be futile for this purpose. This is just the beginning of construction dust as 5 homes will be built out there.

Lynda Hackleton: handed out an image of a water truck attachment to the Board of Trustees as a solution. She explained that the dust on Silver Street is not construction dust rather just dust from traffic in the neighborhood.

Mary Jondrow: expressed that the traffic is moving too fast. People don't slow down, this is not only a dust issue but a safety issue. Perhaps posting the speed limit or yield signs could help. Lots of families with small children walking around Silver and Soda Street.

Garan Mangan-Dimuzio: While the dust is an issue the primary concern is the speed of the traffic. He has a 3 year old and has had a couple of close calls on Soda Street.

Jonathan Hay: in his experience it is on the developer to mitigate the dust.

Jim Ostrem: A lot has changed in the last 10 years. He believes there would be a little different response to dust control. He asks staff or the board if there is an estimate of what it would cost to mitigate the dust. That would make it feel like there was a path going forward.

Mayor Nicole Pieterse explains that she hears 3 different issues being brought up construction dust mitigation, dust control, and speed control. She would like to go over all of these one at a time with the Board.

Construction dust mitigation:

Chauncey McCarthy: the Town nor the County have any regulations on dust control. This is something that will need to be addressed.

Trustee Benn Vernadakis expresses this is something that should be addressed before the moratorium is over. Would like to see a draft ordinance.

Trustee Chris Condon would like to see this on the agenda in the near future.

Set to be discussed at the September meeting.

Mayor Pro Tem apologized for not catching this during the subdivision process. He would like some time to make sure all construction concerns are addressed in the new ordinance.

Trustee Joe Croke: the Town could enact an impact fee for construction. Chauncey McCarthy explains that engineering is required to support an impact fee, it would be too expensive to have that study done.

Dust Mitigation:

Chauncey McCarthy: It cost Montrose county 60-80 cents/ lineal foot. The Town off Rico would cost close to \$30,000 to mag chloride.

Nicole Pieterse would like the town to look into speed bumps or dips.

Trustee Benn Vernadakis recommends talking to your neighbors in person or via social media.

Speed Control:

The Board discussed the Marshalls being stationed at the critical intersections such as Mantz and Silver or Soda and Silver.

Potentially putting temporary speed bumps up at Silver and Soda intersection.

ATVs and UTVs are not allowed on Town roads.

Public Comment:

Mary Jondrow: Recommended road condition based speed limits.

Florence Ezell: Asked about an ordinance regarding ATVs.

Ann Williams: Add summer speed bumps to encourage slower speeds in Town.

Clay Hall reminded the Board that the represent the citizens regardless of their presence in the Room.

Speed bumps to be put out on Soda and Silver as a trial to see if it helps with speeding traffic.

Motion

To adjourn.

Moved by Trustee Benn Vernadakis, seconded by Trustee Jordan Carr.

Vote. A roll call vote was taken and the motion was approved, 6-0

The meeting adjourned

Anna Wolf
Rico Town Clerk

Nicole Pieterse
Mayor

RICO TOWN BOARD MEETING MINUTES

Date: July 19, 2023

Call to Order 6:04

Trustees Present: Mayor Nicole Pieterse
 Mayor Pro Tem Patrick Fallon
 Trustee Joe Dillsworth (zoom)
 Trustee Benn Vernadakis
 Trustee Jordan Carr
 Trustee Joe Croke
 Trustee Chris Condon (6:07)

Trustees Absent:

Staff Present. Chauncey McCarthy, Anna Wolf (zoom) (8:00PM), Wilton Anderson (8:00PM)

Environmental Attorney:
 Tom Bloomfield, Sam Caravello, Brandon Rattiner

Approval of the Agenda

Motion

To approve the agenda.

Moved by Trustee Benn Vernadakis, seconded by Trustee Joe Croke.

Vote. A roll call vote was taken and the motion was approved, 6-0. Chris Condon not present at vote.

Motion

To move into executive session: Town wide Voluntary Cleanup financial assurance and funding agreement. Determination of positions relative to matters that may be subject to negotiations, Development of strategy for negotiations and instruction of negotiators § 24-6 402(4)(e) C.R.S

Moved by Trustee Benn Vernadakis, seconded by Trustee Joe Croke.

Vote. A roll call vote was taken and the motion was approved, 6-0. Chris Condon not present at vote.

Motion

To adjourn executive session and convene in regular session.

Moved by Mayor Nicole Pieterse, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 7-0.

Approval of Minutes

With clerical corrections to be provided by Mayor Nicole Pieterse

Motion

To approve the March 15, April 19, June 21, 2023 minutes with correction.

Moved by Trustee Joe Croke, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 7-0.

Consent Agenda Payment of the Bills

Motion

To approve the payment of the bills.

Moved by Trustee Benn Vernadakis, seconded by Trustee Chris Condon.

Vote. A roll call vote was taken and the motion was approved, 7-0.

Public Comment:

Michael Contillo: encourages the Town Board to let folks know that the LUC will be enforced once the new LUC is adopted. These need to be enforced

Letter from Skip Zeller: Use the newsletter to let people know that the Town intends to enforce what is on the books in the LUC.

Nicole Pieterse: Bedrock is having an open house tomorrow. She encourages people to go.

Kathy McJoynt: Made a complaint about Trustee Jordan Carr regarding what he said at the Garden Bar.

Joe Croke: commented that we all represent the Board, these complaints reflect on all of the Board.

Discussion Items:

Voluntary Lead Soil Clean up ("VCUP") update

Mayor Nicole Pieterse gave update. The executive session was regarding the financial setting of the project and other funding agreements that are in session. The Town should get comments back from AR in 2 weeks.

Tom Bloomfield: this was a productive conversation with AR. The goal is to get this done so the work can start this year.

Discussion of the business tactics of ARCO subcontractor Entact and potential implications to the Board of Trustee's position on the VCUP negotiations

Trustee Chris Condon gives summary. Entact asked the Mine Shaft to hold rooms, but did not end up using them with a last minute notice to the establishment. This was a financial loss for the business. Chris reached out to the CEO. In the end the right thing was done. Enact was taking advantage from the negotiation tactics. This is worth noting,

Andrew Romanyshyn owner of Mine Shaft Inn: satisfied with the outcome. Enact was initially not going to compensate. All ended on good terms.

Revised contract and legal document policy

Mayor Nicole Pieterse gave summary.

Mayor Pro Tem Pat Fallon reiterates that anything that is agreed upon needs to be signed as is. If there are changes it needs to go back to the board for more discussion.

A redline and the original document should be presented to the person signing, they can make the decision to bring it back to the Board if more was changed than was agreed upon.

Quarter 2 Finances

Town Manager Chauncey McCarthy gives summary. There will be a special meeting August 2nd for a budget amendment.

Mayor Pro Tem asked questions regarding Town attorney, dog tags, and street fund insurance. Chauncey McCarthy addressed the questions.

Action Items

Review and execution, as concurring party, of Amendment 2 to the Memorandum of Agreement between the United States Forest Service (San Juan National Forest), and the Colorado State Historic Preservation Officer, regarding adverse effects to site 5dl.478.19 resulting from the Atlantic Richfield Company small tracts act case no. 2020 project, Dolores County, Colorado
Mayor Nicole Pieterse gave summary.

Motion

To approve Review and execution, as concurring party, of Amendment 2 to the Memorandum of Agreement between the United States Forest Service (San Juan National Forest), and the Colorado State Historic Preservation Officer, regarding adverse effects to site 5dl.478.19 resulting from the Atlantic Richfield Company small tracts act case no. 2020 project, Dolores County, Colorado

Moved by Trustee Joe Croke, seconded by Trustee Jordan Carr.

Vote. A roll call vote was taken and the motion was approved, 6-0 Trustee Benn Vernadakis did not vote.

Consideration of Resolution 2023-05 a resolution of the Board of Trustees of the Town of Rico authorizing an extraterritorial residential water tap for Lot 3 Homestake Little Cora.

Nicole is scripter in this transaction and is happy to recuse herself. Wilton Anderson gives the digression to Nicole. Nicole will stay in the conversation.

Chauncey McCarthy gives summary. This is not precedence setting as the Town does not have an easement through the property. This would approve a residential tap for the lot in exchange for easement for the Town.

Trustee Joe Croke: it should not be approved unless this closes with Chauncey not any other buyer.

Nicole: add the requirement that conditioned upon closing with the purchasers and will go into effect if and when they close.

Wilton to write up new language. Come back to this topic later.

Consideration of a proposal from GovRates for a water impact fee study

Chauncey McCarthy gives summary.

Motion

To approve proposal from GovRates for a water impact fee study

Moved by Mayor Nicole Pieterse, seconded by Trustee Benn Vernadakis.

Vote. A roll call vote was taken and the motion was approved, 6-0 Trustee Joe Croke not present to vote.

Consideration of a proposal from Goff Engineering and Surveying for waterline location services

Chauncey McCarthy gives summary.

Motion

To approve proposal from Goff Engineering and Surveying for waterline location services

Moved by Trustee Benn Vernadakis, seconded by Trustee Jordan Carr.

Vote. A roll call vote was taken and the motion was approved, 6-0 Trustee Joe Croke not present to vote.

Consideration of Resolution 2023-05 a resolution of the Board of Trustees of the Town of Rico authorizing an extraterritorial residential water tap for Lot 3 Homestake Little Cora.

Wilton: add condition upon the Town Manager and Devon Petersen closing on the purchase of Lot 3 as described herein, the conveyance of the $\frac{3}{4}$ inch water tap to Lot 3.

Recital to incorporate all of the whereas clauses.

Pat: Add and payment of the tap. Change conveyance to sale in the whereas clause.

Motion

To approve with those changes.

Moved by Trustee Benn Vernadakis, seconded by Trustee Chris Condon.

Vote. A roll call vote was taken and the motion was approved, 6-0 Trustee Joe Croke not present to vote.

Staff Report

Manager's Report

July 4th was a success.

The Community engagement surveys are still available to fill out at the Court House.

The Town manager has a conflict with the February meeting. To be moved to February 28th.

Chauncey will not be in the office next week.

The meeting adjourned 9:19PM

Anna Wolf
Rico Town Clerk

Nicole Pieterse
Mayor

**TOWN OF RICO, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

**TOWN OF RICO, COLORADO
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Rico
Rico, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Rico, Colorado (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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 opinion.

Responsibilities of Management for the Financial Statements

The Town's 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 one year after the date that the financial statements are available to be issued, 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 GAAS 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 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 GAAS, 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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 operation, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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 supplementary information, as shown in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 20, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

ATLAS CPAs & Advisors PLLC

Phoenix, Arizona

July 20, 2023

TOWN OF RICO, COLORADO
STATEMENT OF NET POSITION
December 31, 2022

| | <u>Governmental Activities</u> | <u>Business - Type Activities</u> | <u>Total</u> |
|--|------------------------------------|---|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and equivalents | \$ 1,030,324 | \$ 503,244 | \$ 1,533,568 |
| Investments, at fair value | 301,832 | - | 301,832 |
| Taxes receivable | 98,278 | 26,148 | 124,426 |
| Accounts receivable | - | 6,811 | 6,811 |
| TOTAL CURRENT ASSETS | <u>1,430,434</u> | <u>536,203</u> | <u>1,966,637</u> |
| PROPERTY AND EQUIPMENT | | | |
| Capital assets | 2,031,372 | 3,574,920 | 5,606,292 |
| Less Accumulated depreciation | <u>(789,641)</u> | <u>(831,434)</u> | <u>(1,621,075)</u> |
| NET PROPERTY AND EQUIPMENT | <u>1,241,731</u> | <u>2,743,486</u> | <u>3,985,217</u> |
| TOTAL ASSETS | <u>2,672,165</u> | <u>3,279,689</u> | <u>5,951,854</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | <u>103,867</u> | <u>-</u> | <u>103,867</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 2,776,032</u> | <u>\$ 3,279,689</u> | <u>\$ 6,055,721</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and other liabilities | \$ 38,953 | \$ - | \$ 38,953 |
| Accrued payroll | <u>5,101</u> | <u>-</u> | <u>5,101</u> |
| TOTAL CURRENT LIABILITIES | <u>44,054</u> | <u>-</u> | <u>44,054</u> |
| LONG-TERM LIABILITIES | | | |
| Net pension liability | <u>196,626</u> | <u>-</u> | <u>196,626</u> |
| TOTAL LONG-TERM LIABILITIES | <u>196,626</u> | <u>-</u> | <u>196,626</u> |
| TOTAL LIABILITIES | <u>240,680</u> | <u>-</u> | <u>240,680</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable property tax | 115,350 | 26,148 | 141,498 |
| Deferred inflows related to pensions | 980 | - | 980 |
| Total Deferred Inflows of Resources | <u>116,330</u> | <u>26,148</u> | <u>142,478</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 1,241,731 | 2,743,486 | 3,985,217 |
| Restricted | | | |
| TABOR | 27,232 | - | 27,232 |
| Culture and recreation | 44,596 | - | 44,596 |
| Unrestricted | <u>1,105,463</u> | <u>510,055</u> | <u>1,615,518</u> |
| TOTAL NET POSITION | <u>\$ 2,419,022</u> | <u>\$ 3,253,541</u> | <u>\$ 5,672,563</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u>\$ 2,776,032</u> | <u>\$ 3,279,689</u> | <u>\$ 6,055,721</u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | |
|---|---------------------|-------------------------|--|--|--|-----------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | PRIMARY GOVERNMENT | | |
| | | | | | Governmental Activities | Business-type Activities | Total |
| Governmental Activities | | | | | | | |
| General Government | \$ 677,287 | \$ 155,535 | \$ - | \$ 41,300 | \$ (480,452) | \$ - | \$ (480,452) |
| Public Safety | 15,118 | 16,171 | - | - | 1,053 | - | 1,053 |
| Public Works | 104,176 | - | - | - | (104,176) | - | (104,176) |
| Culture and Recreation | 140,878 | - | - | - | (140,878) | - | (140,878) |
| TOTAL GOVERNMENTAL ACTIVITIES | 937,459 | 171,706 | - | 41,300 | (724,453) | - | (724,453) |
| Business - Type Activities | | | | | | | |
| Current: | | | | | | | |
| Water Operations | 214,547 | 175,310 | - | - | - | (39,237) | (39,237) |
| Sewer | 7,079 | - | - | - | - | (7,079) | (7,079) |
| TOTAL BUSINESS-TYPE ACTIVITIES | 221,626 | 175,310 | - | - | - | (46,316) | (46,316) |
| TOTAL PRIMARY GOVERNMENT | \$ 1,159,085 | \$ 347,016 | \$ - | \$ 41,300 | (724,453) | (46,316) | (770,769) |
| GENERAL REVENUES | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes | | | | | 103,863 | 27,161 | 131,024 |
| Specific Ownership Taxes | | | | | 5,472 | 1,456 | 6,928 |
| Sales and Use Tax | | | | | 315,183 | - | 315,183 |
| Other Taxes | | | | | 85,604 | - | 85,604 |
| Miscellaneous | | | | | 373,569 | - | 373,569 |
| Interest Income | | | | | 2,625 | 896 | 3,521 |
| TOTAL GENERAL REVENUES | | | | | 886,316 | 29,513 | 915,829 |
| CHANGE IN NET POSITION | | | | | 161,863 | (16,803) | 145,060 |
| NET POSITION - Beginning of Year | | | | | 2,257,159 | 3,270,344 | 5,527,503 |
| NET POSITION - End of Year | | | | | \$ 2,419,022 | \$ 3,253,541 | \$ 5,672,563 |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2022

| | GENERAL | STREET | NON-MAJOR GOVERNMENTAL FUNDS | TOTAL |
|--|----------------------------|--------------------------|------------------------------------|----------------------------|
| ASSETS | | | | |
| Cash and equivalents | \$ 747,858 | \$ 145,829 | \$ 136,637 | \$ 1,030,324 |
| Investments, at fair value | 301,832 | - | - | 301,832 |
| Property taxes receivable | 86,429 | 11,849 | - | 98,278 |
| TOTAL ASSETS | <u>\$ 1,136,119</u> | <u>\$ 157,678</u> | <u>\$ 136,637</u> | <u>\$ 1,430,434</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 38,953 | \$ - | \$ - | \$ 38,953 |
| Payroll related liabilities | 5,101 | - | - | 5,101 |
| TOTAL LIABILITIES | <u>\$ 44,054</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 44,054</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | 103,501 | 11,849 | \$ - | \$ 115,350 |
| FUND BALANCE | | | | |
| Restricted | | | | |
| TABOR | \$ 27,232 | \$ - | \$ - | \$ 27,232 |
| Culture and recreation | - | - | 44,596 | 44,596 |
| Committed | - | 145,829 | 92,041 | 237,870 |
| Unassigned | 961,332 | - | - | 961,332 |
| TOTAL FUND BALANCE | <u>\$ 988,564</u> | <u>\$ 145,829</u> | <u>\$ 136,637</u> | <u>\$ 1,271,030</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 1,136,119</u> | <u>\$ 157,678</u> | <u>\$ 136,637</u> | <u>\$ 1,430,434</u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
RECONCILIATION OF THE STATEMENT OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2022

| | | |
|--|-----------|--------------------------------|
| Total Fund Balances - Governmental Funds | \$ | 1,271,030 |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | | |
| <p>Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.</p> | | |
| Capital assets | | 2,031,372 |
| Less: Accumulated depreciation | | (789,641) |
| <p>Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.</p> | | |
| | | 103,867 |
| <p>Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.</p> | | |
| | | (980) |
| <p>Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds:</p> | | |
| Net pension liability | | <u>(196,626)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u><u>2,419,022</u></u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

| | GENERAL | STREET | NON-MAJOR GOVERNMENTAL FUNDS | TOTAL |
|---|----------------|----------------|------------------------------------|------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Property Tax | \$ 91,555 | \$ 12,308 | \$ - | \$ 103,863 |
| Sales Tax | 253,611 | 30,786 | 30,786 | 315,183 |
| Other | 16,859 | 68,101 | 4,245 | 89,205 |
| Intergovernmental | 285 | - | - | 285 |
| General Government | 169,570 | - | - | 169,570 |
| Local Grants | - | 33,000 | - | 33,000 |
| Lottery Proceeds | - | - | 3,722 | 3,722 |
| Interest | 2,499 | 67 | 59 | 2,625 |
| Special Projects | 8,300 | - | - | 8,300 |
| Miscellaneous | 365,069 | 8,500 | - | 373,569 |
| TOTAL REVENUES | 907,748 | 152,762 | 38,812 | 1,099,322 |
| EXPENDITURES | | | | |
| General Government | 627,432 | - | - | 627,432 |
| Public Safety | 15,118 | - | - | 15,118 |
| Public Works | - | 76,148 | - | 76,148 |
| Culture and Recreation | 94,931 | - | 44,815 | 139,746 |
| Debt service | 119,091 | - | - | 119,091 |
| TOTAL EXPENDITURES | 856,572 | 76,148 | 44,815 | 977,535 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 51,176 | 76,614 | (6,003) | 121,787 |
| FUND BALANCE, Beginning | 937,388 | 69,215 | 142,640 | 1,149,243 |
| FUND BALANCE, Ending | \$ 988,564 | \$ 145,829 | \$ 136,637 | \$ 1,271,030 |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

| | | |
|--|----|---------|
| Net change in fund balances - total governmental funds | \$ | 121,787 |
|--|----|---------|

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

| | | |
|--|--|----------|
| Depreciation is reported in the government-wide financial statements | | (46,309) |
|--|--|----------|

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

| | | |
|--|--|-----------|
| Finance leases payable | | 98,865 |
| Net pension liability | | 184,957 |
| Deferred outflows of resources related to pensions | | (83,225) |
| Deferred inflows of resources related to pensions | | (114,212) |
| | | (114,212) |

| | | |
|--|-----------|----------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | 161,863 |
|--|-----------|----------------|

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
December 31, 2022

| | WATER | SEWER | TOTAL |
|--|---------------------|-------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | \$ 265,448 | \$ 237,796 | \$ 503,244 |
| Receivables | 6,811 | - | 6,811 |
| Taxes receivable | - | 26,148 | 26,148 |
| TOTAL CURRENT ASSETS | 272,259 | 263,944 | 536,203 |
| CAPITAL ASSETS | | | |
| Buildings | 48,513 | - | 48,513 |
| Water system | 3,526,407 | - | 3,526,407 |
| Total Capital Assets | 3,574,920 | - | 3,574,920 |
| Less: accumulated depreciation | (831,434) | - | (831,434) |
| NET CAPITAL ASSETS | 2,743,486 | - | 2,743,486 |
| TOTAL ASSETS | \$ 3,015,745 | \$ 263,944 | \$ 3,279,689 |
| DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | \$ - | \$ 26,148 | \$ 26,148 |
| NET POSITION | | | |
| Net investment in capital assets | 2,743,486 | - | 2,743,486 |
| Unrestricted | 272,259 | 237,796 | 510,055 |
| TOTAL NET POSITION | \$ 3,015,745 | \$ 237,796 | \$ 3,253,541 |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS
For the Year Ended December 31, 2022

| | WATER | SEWER | TOTAL |
|-----------------------------|--------------|------------|--------------|
| OPERATING REVENUES | | | |
| Charges to customers | \$ 175,310 | \$ - | \$ 175,310 |
| TOTAL OPERATING REVENUES | 175,310 | - | 175,310 |
| OPERATING EXPENSES | | | |
| Salaries | 82,945 | - | 82,945 |
| Repairs and maintenance | 12,051 | - | 12,051 |
| Insurance | 80 | - | 80 |
| Supplies | 12,416 | - | 12,416 |
| Water samples | 1,170 | - | 1,170 |
| Electric | 3,621 | - | 3,621 |
| Propane | 4,064 | - | 4,064 |
| Utilities-other | 1,495 | - | 1,495 |
| Dolores Water Conservancy | 2,700 | - | 2,700 |
| Miscellaneous | 7,824 | - | 7,824 |
| Treasurers fees | - | 537 | 537 |
| Other expense | - | 6,542 | 6,542 |
| Depreciation expense | 86,181 | - | 86,181 |
| TOTAL OPERATING EXPENSES | 214,547 | 7,079 | 221,626 |
| NET (LOSS) FROM OPERATIONS | (39,237) | (7,079) | (46,316) |
| NON-OPERATING REVENUE | | | |
| Interest income | 763 | 133 | 896 |
| Property taxes | - | 27,161 | 27,161 |
| Specific ownership taxes | - | 1,456 | 1,456 |
| TOTAL NON-OPERATING REVENUE | 763 | 28,750 | 29,513 |
| CHANGE IN NET POSITION | (38,474) | 21,671 | (16,803) |
| NET POSITION, Beginning | 3,054,219 | 216,125 | 3,270,344 |
| NET POSITION, Ending | \$ 3,015,745 | \$ 237,796 | \$ 3,253,541 |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended December 31, 2022

| | WATER FUND | SEWER FUND | TOTAL |
|---|-------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers | \$ 305,068 | \$ - | \$ 305,068 |
| Cash paid for expenses and employees | (128,366) | (7,079) | (135,445) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 176,702 | (7,079) | 169,623 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Property Taxes | - | 27,161 | 27,161 |
| Specific Ownership Taxes | - | 1,456 | 1,456 |
| NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES | - | 28,617 | 28,617 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest earned | 763 | 133 | 896 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 763 | 133 | 896 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 177,465 | 21,671 | 199,136 |
| CASH AND CASH EQUIVALENTS, Beginning of Year | 87,983 | 216,125 | 304,108 |
| CASH AND CASH EQUIVALENTS, End of Year | <u>\$ 265,448</u> | <u>\$ 237,796</u> | <u>\$ 503,244</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | |
| Operating loss | \$ (39,237) | \$ (7,079) | \$ (46,316) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | |
| Depreciation | 86,181 | - | 86,181 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in: | | | |
| Accounts receivable | 129,758 | - | 129,758 |
| Total adjustments | 215,939 | - | 215,939 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 176,702 | \$ (7,079) | \$ 169,623 |

The accompanying notes are an integral part of the financial statements.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Rico, 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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

Definition of the Reporting Entity

The Town was incorporated in October 11, 1897 in Dolores County, and is governed by a seven member elected Board of Trustees. As required by generally accepted accounting principles, these financial statements present the activities of the Town, which is legally separate and financially independent of other state and local governments.

The Town provides general government, public works (road and streets), water, sewer, and parks and recreation for the geographical area organized as the Town of Rico, Colorado. The Town contracts with the County for police protection. The Rico Fire Protection District (not a component unit) provides fire protection.

Fund Accounting

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

Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, 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, 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 and current liabilities. 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.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

The Town reports two major governmental funds:

- **General Fund** – is the Town’s primary operating fund. It accounts for the general operations of the Town, which includes the following departments: Legislative, Judicial, Administration, Public Safety-Police, Community Development and Public Works.
- **Street Fund** – accounts for expenditures designated for streets and infrastructure maintenance. Sources of revenue include 1.785 mills and 10% of Town sales tax.

The Town reports two non-major governmental funds:

- **Conservation Trust Fund** – accounts for State of Colorado lottery funds to be used for acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.
- **Parks, Open Space, and Trails Fund** – accounts for special revenues and expenditures designated for operating and maintaining parks and recreation programs.

The Town reports the following major business-type activity funds:

- **Water Fund** – accounts for the Town’s water distribution system.
- **Sewer Fund** – accounts for revenues collected to establish a solid waste facility.

Measurement Focus and Basis of Accounting

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 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.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include:

- (1) principal and interest on general long-term debt which is recognized when due and
- (2) compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

For purposes 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.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at fair value according to institution reported balances at year-end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make: (1) estimates and assumptions that affect the reported amounts of assets and liabilities and (2) disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred revenue in the governmental and enterprise funds.

Capital Assets

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>Dollar Value</u> |
|----------------------------------|---------------------|
| Land | No minimum |
| Buildings | No minimum |
| Buildings and Other Improvements | \$ 5,000 |
| Furniture and Equipment | \$ 5,000 |
| Infrastructure | \$ 5,000 |

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.

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> |
|----------------------------------|--------------------|
| Land | 25 – 50 years |
| Buildings | 20 years |
| Buildings and Other Improvements | 25 – 45 years |
| Furniture and Equipment | 5 – 30 years |
| Infrastructure | 15 – 40 years |

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 since 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.

Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position. Bond premium and discounts, are deferred and amortized over the term of the related debt using the straight-line method of amortization. Bond issuance costs are expensed in the period incurred.

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, whether or not withheld from the actual debt proceeds received, are reported as expenditures. The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net capital assets consist 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 portion of equity is reported as restricted when there are limitations imposed on use, either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

In the government fund financial statements, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

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

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority through an ordinance or resolution. Committed fund balance can also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority. The Capital Reserve amount reported is also described in the Town's annual budget document.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Town’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be “reserves” for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (See Note 11).

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable, are legally segregated for a specific purpose, or are restricted by grant agreements. Designations of fund balance represent tentative management plans that are subject to change.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds”. Nonrecurring or nonroutine permanent transfers of equity and all interfund transfers are reported as transfers in and transfers out. Any residual balances outstanding between the governmental activities and business-type activities are either eliminated or reported in the government-wide financial statements as “internal balances”.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports 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 future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the government- wide statement of net position.

In addition to liabilities, the statement of financial position reports 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 periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: changes in the net pension liability not included in pension expense reported in the government-wide statement of net position.

Pensions

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multi-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Leases

Effective January 1, 2022, the District implemented GASB No. 87, Leases. As the lessee, the Town determines whether a contract is, or contains a lease at inception. Lease agreements with a maximum lease term of twelve months or less, including options to extend, are accounted for as short-term leases. Lease agreements that transfer ownership of the underlying asset to the Town at the end of the contract are recorded as a finance purchase with a related lease liability. Lease agreements not classified as a short-term lease, or a finance purchase are accounted for as an intangible right to use lease asset. An Intangible right to use lease asset represents the Town's right to use an underlying asset during the lease term and the lease liability represents the Town's obligation to make lease payments arising from the lease. Intangible right to use lease assets and lease liabilities are recognized at lease commencement based upon the estimate present value of unpaid lease payments over the lease term. The Town uses its incremental borrowing rate based on information available at lease commencement in determining the present value of unpaid lease payments. As the lessor, the Town applies the same criteria but recognizes a lease receivable and a deferred inflow of resources equal to the present value of the lease payments. The Town did not have any material leases to be implemented under GASB 87, leases.

Coronavirus Disease (COVID-19)

On January 3, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The Town may be adversely affected through governmental and business closures resulting in a reduction of labor demand or supplies shortages. The Town will continue to monitor the situation surrounding COVID-19 and evaluate the impact it will have on future operations.

NOTE 2: BUDGETARY REQUIREMENTS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The Enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenses, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end.

By October 15, the Town Manager (not an elected official) of the Town submits a proposed operating budget for the fiscal year commencing the following January 1, to the Trustees (elected officials). The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing.

Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget ordinance. The Town Treasurer is authorized to transfer budgeted amounts within a department of any fund. The Trustees must approve revisions that change total expenditures of any fund or department within a fund.

Appropriations are controlled and the budget is only amended in conformity with Colorado Revised Statutes, which require a balanced budget. Expenditures in excess of appropriations may violate Colorado Revised Statutes and must be reported to the State Auditor.

The Combined Statements of Revenues, Expenditures and Changes in Fund Balances for all fund types include comparisons to budget. Financial statements of the Enterprise Funds are presented in the accompanying Financial Statements on a Non-GAAP and GAAP basis. Budget amounts, included in the financial statements, are as originally adopted and as amended by Board of Trustees.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between fund balances (total governmental funds and net position) and governmental activities, as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances and changes in net position of governmental activities, as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the government fund statements during the consolidation of governmental activities.

NOTE 4: CASH AND INVESTMENTS

Cash

A summary of the Town's cash and investments at December 31, 2022 are as follows:

| <u>Type</u> | <u>Rating</u> | <u>Carrying Value</u> |
|--|---------------|-----------------------------------|
| Deposits: | | |
| Demand deposits | | \$ 1,533,193 |
| Cash with County Treasurer | | <u>375</u> |
| | | <u>1,533,568</u> |
| Investments: | | |
| CSAFE | AAAm | <u>301,832</u> |
| Total deposits and investments: | | \$ <u>1,835,400</u> |
| Reconciliation to Statement of Net Position | | |
| Current: | | |
| Cash and Investments | | \$ <u><u>1,835,400</u></u> |

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash only in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by the financial institution. The eligible collateral is determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution and held in trust for all the uninsured public deposits as a group. Colorado State Statutes require the market value of the collateral to be at least 102 percent of the aggregate uninsured deposits.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government.

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: The Town places no limit on the amount the Town may invest in any one issuer.

The Town invests in one investment pool, the Colorado Surplus Asset Fund Trust (CSAFE). The investment is not categorized because the investment is not evidenced by securities that exist in physical book entry form. At December 31, 2022, the Town had an investment of \$301,832 fair and carrying value.

NOTE 5: PROPERTY TAXES

Property taxes are collected on behalf of the Town by Dolores County and then remitted to the Town. The property tax is levied and certified in November of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year.

Secured property taxes are: (1) due in two equal installments on February 28 and June 15 and (2) delinquent after February 28 and June 15, respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, since they are not due until the following year. Property tax revenue is recognized when it is collected by Dolores County.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6: CAPITAL ASSETS

Summary of changes in capital assets as of December 31, 2022 are as follows:

| Governmental Activities | <u>Balance 1/1/22</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 12/31/22</u> |
|---|---------------------------|--------------------|------------------|-----------------------------|
| Not depreciated: | | | | |
| Land | \$ 453,760 | \$ - | \$ - | \$ 453,760 |
| Depreciable capital assets: | | | | |
| Improvements | 7,230 | - | - | 7,230 |
| Buildings | 908,366 | - | - | 908,366 |
| Equipment | 59,058 | - | - | 59,058 |
| Vehicles | 385,564 | - | - | 385,564 |
| Streets | <u>217,394</u> | <u>-</u> | <u>-</u> | <u>217,394</u> |
| Total Depreciable Assets: | <u>1,577,611</u> | <u>-</u> | <u>-</u> | <u>1,577,611</u> |
| Less: Accumulated Depreciation | | | | |
| Improvements | (7,230) | - | - | (7,230) |
| Buildings | (358,688) | (17,071) | - | (375,759) |
| Equipment | (45,787) | (1,210) | - | (46,997) |
| Vehicles | (233,808) | (24,214) | - | (258,022) |
| Streets | <u>(97,819)</u> | <u>(3,814)</u> | <u>-</u> | <u>(101,633)</u> |
| Total Accumulated Depreciation | <u>(743,332)</u> | <u>(46,309)</u> | <u>-</u> | <u>(789,641)</u> |
| Depreciable capital assets, net | <u>834,280</u> | <u>(46,309)</u> | <u>-</u> | <u>787,971</u> |
| Total Governmental Activities, Capital Assets | <u>\$ 1,288,040</u> | <u>\$ (46,309)</u> | <u>\$ -</u> | <u>\$ 1,241,731</u> |

Depreciation expense was charged to functions of the Town for governmental activities as follows:

| | |
|------------------------|------------------|
| General Government | \$ 17,149 |
| Public Works | 28,028 |
| Culture and Recreation | <u>1,132</u> |
| Total | <u>\$ 46,309</u> |

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

| Business-Type Activities | <u>Balance 1/1/22</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 12/31/22</u> |
|--|---------------------------|--------------------|------------------|-----------------------------|
| Depreciable capital assets: | | | | |
| Buildings | \$ 48,513 | \$ - | \$ - | \$ 48,513 |
| Water System | <u>3,526,407</u> | <u>-</u> | <u>-</u> | <u>3,526,407</u> |
| Total Depreciable Assets: | <u>3,574,920</u> | <u>-</u> | <u>-</u> | <u>3,574,920</u> |
| Less: Accumulated Depreciation | | | | |
| Buildings | (39,615) | (1,627) | - | (41,242) |
| Water System | <u>(705,638)</u> | <u>(84,554)</u> | <u>-</u> | <u>(790,192)</u> |
| Total Accumulated Depreciation | <u>(745,253)</u> | <u>(86,181)</u> | <u>-</u> | <u>(831,434)</u> |
| Depreciable capital assets, net | <u>2,829,667</u> | <u>(86,181)</u> | <u>-</u> | <u>(831,434)</u> |
| Total Business-Type Activities, Capital Assets | \$ <u>2,829,667</u> | \$ <u>(86,181)</u> | \$ <u>-</u> | \$ <u>2,743,486</u> |

NOTE 7: DEFINED BENEFIT PENSION PLAN - PERA

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description: Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund – a cost-sharing multiple- employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by the Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's annual increase reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions: Eligible employees of the Town and State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Employee contribution rates for the period of January 1, 2022 through December 31, 2022 are summarized in the table below:

| | January 1, 2022 through June 30, 2022 | July 1, 2022 through December 31, 2022 |
|---|---|--|
| Employee contribution (all employees other than State Troopers) | 8.50 % | 8.50 % |

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

| Years Ended December 31: | January 1, 2022 through June 30, 2022 | July 1, 2022 through December 31, 2022 |
|--|--|---|
| Employer contribution rate as a percentage of salary | 10.50 % | 11.00 % |
| Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) | (1.02) | (1.02) |
| Amount apportioned to the LGDTF | 9.48 | 9.98 |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 | 2.20 | 2.20 |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 | 1.50 | 1.50 |
| Defined contribution supplement as specified in C.R.S. § 24-51-415 | 0.03 | 0.03 |
| Total Employer Contribution Rate to the LGDTF | 13.21 % | 13.71 % |

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$21,614 for the year ended December 31, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2022 the Town reported a liability of \$196,626 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. The Town's proportion of the net pension liability/(asset) were based on the Town's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2022, the Town's proportion was .019612 percent, and was .015502 percent for the year ended December 31, 2021.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
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For the year ended December 31, 2022, the Town recognized pension expense of 16,265. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| December 31, 2022 | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$ - | \$ 980 |
| Net difference between projected and actual earnings on pension plan investments | 80,272 | - |
| Contributions subsequent to the measurement date | <u>23,595</u> | <u>-</u> |
| Total | \$ <u><u>103,867</u></u> | \$ <u><u>980</u></u> |

Deferred outflows of resources related to pensions of \$23,595, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Years Ending December 31</u> | <u>Amount</u> |
|---------------------------------|-------------------------|
| 2023 | \$ 19,314 |
| 2024 | 19,314 |
| 2025 | 19,314 |
| 2026 | <u>21,350</u> |
| Total | \$ <u><u>79,292</u></u> |

Actuarial assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|---|
| Price inflation | 2.3 percent |
| Real wage growth | 0.7 percent |
| Wage inflation | 3.0 percent |
| Salary increases, including wage inflation | 3.2 – 11.3 percent |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Future post-retirement benefit increase: PERA | |
| Benefit Structure hired prior to 1/1/07 (automatic) | 1.00 percent |
| PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) | Financed by the Annual Increase Reserve |

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
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Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

The actuarial assumptions used in the December 31, 2020, valuations were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on November 20, 2020.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>30 Year Expected Geometric Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Global Equity | 54.00 % | 5.60 % |
| Fixed Income | 23.00 % | 1.30 % |
| Private Equity | 8.50 % | 7.10 % |
| Real Estate | 8.50 % | 4.40 % |
| Alternatives | 6.00 % | 4.70 % |
| Total | 100.00 % | |

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.5 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

| <u>December 31, 2022</u> | <u>1% Decrease (6.25%)</u> | <u>Current Discount Rate (7.25%)</u> | <u>1% Increase (8.25%)</u> |
|--|--------------------------------|--|--------------------------------|
| Proportionate share of the net pension liability (asset) | \$ 330,086 | \$ 196,626 | \$ 84,898 |

Pension plan fiduciary net position: Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings.

NOTE 8: RISK MANAGEMENT – PUBLIC ENTITY RISK POOL

The Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons and property which might result in claims being made against members of CIRSA, their employees and officers.

TOWN OF RICO, COLORADO
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DECEMBER 31, 2022

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit. The Town is not exposed to any significant risk of loss.

NOTE 9: CONTINGENCIES

Claims and Judgments

The Town participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. It is the opinion of management that such reimbursements, if any, will not have a material effect on the Town's financial position.

NOTE 10: TAX, SPENDING, REVENUE AND DEBT LIMITATIONS

In November of 1992 Colorado voters approved Amendment 1 to the state Constitution which is commonly known as the Taxpayer's Bill of Rights or the Tabor Amendment (TABOR). The Amendment applies to all units of local government and limits taxes, spending, revenue, and multi-year debt (excepting bond refundings to lower interest rates and adding employees to pension plans). The amendment does not apply to entities that are defined as Enterprise Funds. The governmental funds of the Town do not qualify as Enterprise Funds.

The Town passed a ballot question on November 7, 1997. The ballot question permitted the Town, to collect, retain and expend, the full revenues from state and federal grants and all other non-tax revenues, and without limiting in any year the amount of other revenues that may be collected and spent by the Town, regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution.

The amendment also requires the Town to establish an Emergency Reserve which must be equal to three (3) percent of the current allowed revenue. Conditions under which these reserves may be spent are severally limited.

The Town believes that it is in compliance with the provisions of TABOR, as it is currently understood. Many of the provisions are complex and subject to interpretation, and may not become fully understood without judicial determination.

NOTE 11: COMPLIANCE WITH STATE STATUTES

The Town did not have any expenditures which exceeded appropriations for the year ended December 31, 2022.

TOWN OF RICO, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 12: NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- GASB Statement No. 91, *Conduit Debt Obligations*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
- GASB Statement No. 99, *Omnibus 2022*
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*

NOTE 13: SUBSEQUENT EVENTS

In preparing the financial statements, the Town has evaluated transactions for potential disclosure through July 20, 2023, the date the financial statements were available to be issued. No events have occurred subsequent to December 31, 2022 that would require disclosure.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2022

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- POSITIVE (NEGATIVE) |
|---|--------------------|-------------------|-------------------|-------------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property tax | \$ 86,100 | \$ 86,100 | 85,724 | \$ (376) |
| Delinquent Tax & Interest | 200 | 200 | 5,831 | 5,631 |
| Sales and use tax | 126,752 | 175,000 | 253,611 | 78,611 |
| Specific ownership tax | 4,000 | 4,000 | 4,812 | 812 |
| Motor vehicle tax | 1,500 | 1,500 | 395 | (1,105) |
| Excise tax | - | - | 5,204 | 5,204 |
| Lodging tax | - | 4,000 | 6,448 | 2,448 |
| Mineral leasing | 5,000 | 5,000 | - | (5,000) |
| Severance tax | - | - | 285 | 285 |
| Transfers - payroll | 212,000 | 211,650 | 141,712 | (69,938) |
| Fines and forfeitures | 10,000 | 10,000 | 16,171 | 6,171 |
| Interest | 475 | 475 | 2,499 | 2,024 |
| Licenses and permits | 25,675 | 25,675 | 11,687 | (13,988) |
| Special projects revenue | 23,400 | 23,400 | 8,300 | (15,100) |
| Miscellaneous | 5,990 | 34,990 | 365,069 | 330,079 |
| TOTAL REVENUES | <u>501,092</u> | <u>581,990</u> | <u>907,748</u> | <u>325,758</u> |
| EXPENDITURES | | | | |
| Town administrator | 70,000 | 70,000 | 71,500 | (1,500) |
| Town clerk | 43,000 | 43,000 | 41,208 | 1,792 |
| Maintenance man | 37,000 | 37,045 | 41,839 | (4,794) |
| Part-time maintenance man | 10,000 | 35,000 | 34,175 | 825 |
| Payroll taxes | 35,000 | 35,000 | 4,700 | 30,300 |
| Town attorney | 20,000 | 30,000 | 33,426 | (3,426) |
| Auditor | 12,000 | 12,000 | 12,165 | (165) |
| Municipal court judge | 4,500 | 4,500 | 4,500 | - |
| Insurance | 5,337 | 5,337 | 8,022 | (2,685) |
| Supplies | 12,000 | 12,000 | 11,033 | 967 |
| Utilities | 14,200 | 14,200 | 12,868 | 1,332 |
| Water technician | 4,000 | 4,000 | 1,644 | 2,356 |
| Public safety | 28,500 | 30,000 | 15,118 | 14,882 |
| Miscellaneous | 208,350 | 184,750 | 282,886 | (98,136) |
| Employee benefits | 73,000 | 73,000 | 67,466 | 5,534 |
| Special projects/Capital improvements | 58,060 | 155,158 | 94,931 | 60,227 |
| Debt service | - | 120,000 | 119,091 | 909 |
| TOTAL EXPENDITURES | <u>634,947</u> | <u>864,990</u> | <u>856,572</u> | <u>8,418</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(133,855)</u> | <u>(283,000)</u> | <u>51,176</u> | <u>334,176</u> |
| Fund Balance, Beginning | <u>818,997</u> | <u>818,997</u> | <u>937,388</u> | <u>(118,391)</u> |
| Fund Balance, Ending | <u>\$ 685,142</u> | <u>\$ 535,997</u> | <u>\$ 988,564</u> | <u>\$ 215,785</u> |

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
STREET FUND

For the Year Ended December 31, 2022

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- POSITIVE (NEGATIVE) |
|---|--------------------|-----------------|-------------------|-------------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property tax | \$ 11,805 | \$ 11,805 | \$ 12,308 | \$ 503 |
| Sales and use tax | 20,000 | 20,000 | 30,786 | 10,786 |
| Specific ownership tax | 500 | 500 | 660 | 160 |
| Franchise tax | 7,300 | 7,300 | 6,401 | (899) |
| Excise tax | 1,800 | 1,800 | 3,072 | 1,272 |
| Road and bridge | 11,800 | 11,800 | 13,050 | 1,250 |
| Highway users tax | 12,800 | 12,800 | 18,093 | 5,293 |
| Other taxes | - | - | 26,825 | 26,825 |
| Miscellaneous | 500 | 500 | 8,500 | 8,000 |
| Other revenues - local grant | - | 33,000 | 33,000 | - |
| Interest | 45 | 45 | 67 | 22 |
| TOTAL REVENUES | <u>66,550</u> | <u>99,550</u> | <u>152,762</u> | <u>53,212</u> |
| EXPENDITURES | | | | |
| Payroll | 30,555 | 40,000 | 41,026 | (1,026) |
| Snow removal | 5,000 | 5,000 | - | 5,000 |
| Fuel | 7,500 | 7,500 | 8,387 | (887) |
| Repairs and maintenance | 15,000 | 15,000 | 8,772 | 6,228 |
| Insurance | 6,500 | 6,500 | 6,428 | 72 |
| Supplies | 2,500 | 2,500 | 6,179 | (3,679) |
| Electricity | 2,000 | 2,000 | 1,185 | 815 |
| Street lights | 1,500 | 1,500 | 1,128 | 372 |
| Utilities - other | 2,500 | 2,500 | 2,799 | (299) |
| Treasurer fees | 350 | 350 | 244 | 106 |
| Debt service | 25,500 | 25,500 | - | 25,500 |
| TOTAL EXPENDITURES | <u>98,905</u> | <u>108,350</u> | <u>76,148</u> | <u>32,202</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (32,355) | (8,800) | 76,614 | 85,414 |
| Fund Balance, Beginning | 16,711 | 16,711 | 69,215 | 52,504 |
| Fund Balance, Ending | <u>\$ (15,644)</u> | <u>\$ 7,911</u> | <u>\$ 145,829</u> | <u>\$ 137,918</u> |

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)
 LAST TEN FISCAL YEARS*
 DECEMBER 31, 2022

| Measurement period ending December 31, | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Town's portion of the net pension liability/(asset) | 0.019612% | 0.015502% | 0.016059% | 0.014631% | 0.015362% | 0.014835% | 0.018273% | 0.023225% | 0.024092% | 0.024744% |
| Town's proportionate share of the net pension liability/(asset) | \$ 196,626 | \$ (13,291) | \$ 83,688 | \$ 107,011 | \$ 193,131 | \$ 165,182 | \$ 246,747 | \$ 256,058 | \$ 215,694 | \$ 203,623 |
| Town's covered payroll | \$ 259,637 | \$ 115,368 | \$ 113,136 | \$ 100,753 | \$ 100,753 | \$ 89,920 | \$ 110,780 | \$ 132,013 | \$ 132,013 | \$ 132,013 |
| Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll | 76% | -12% | 74% | 106% | 192% | 184% | 223% | 194% | 163% | 154% |
| Plan fiduciary net position as a percentage of the total pension liability/(asset) | 83% | 101% | 110% | 116% | 132% | 136% | 136% | 130% | 124% | 129% |

*Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF RICO, COLORADO
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 LAST TEN FISCAL YEARS*
 DECEMBER 31, 2022

| Measurement period ending December 31, | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contributions | \$ 21,614 | \$ 15,226 | \$ 14,659 | \$ 12,776 | \$ 12,776 | \$ 11,402 | \$ 14,044 | \$ 16,739 | \$ 16,739 | \$ 16,739 |
| Contributions in relation to the contractually required contributions | \$ (21,614) | \$ (15,226) | \$ (14,659) | \$ (12,776) | \$ (12,776) | \$ (11,402) | \$ (14,044) | \$ (16,739) | \$ (16,739) | \$ (16,739) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Town's covered payroll | \$ 259,637 | \$ 115,368 | \$ 113,136 | \$ 100,753 | \$ 100,753 | \$ 89,920 | \$ 110,780 | \$ 132,013 | \$ 132,013 | \$ 132,013 |
| Contributions as a percentage of covered payroll | 8% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% |

*Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF RICO, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

| | CONSERVATION TRUST | PARKS, OPEN SPACE & TRAILS | TOTALS |
|---|-----------------------|----------------------------------|-------------------|
| ASSETS | | | |
| Cash and Equivalents | \$ 44,596 | \$ 92,041 | \$ 136,637 |
| TOTAL ASSETS | <u>\$ 44,596</u> | <u>\$ 92,041</u> | <u>\$ 136,637</u> |
| LIABILITIES AND FUND BALANCE | | | |
| TOTAL LIABILITIES | \$ - | \$ - | \$ - |
| FUND BALANCE | | | |
| Restricted for Culture and Recreation | 44,596 | - | 44,596 |
| Committed for Parks and Open Space | - | 92,041 | 92,041 |
| TOTAL FUND BALANCE | <u>44,596</u> | <u>92,041</u> | <u>136,637</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 44,596</u> | <u>\$ 92,041</u> | <u>\$ 136,637</u> |

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

| | CONSERVATION TRUST | PARKS, OPEN SPACE & TRAILS | TOTAL |
|---|-----------------------|----------------------------------|---------------|
| REVENUES | | | |
| Taxes: | | | |
| Sales and use tax | \$ - | \$ 30,786 | \$ 30,786 |
| Lodging tax | - | 1,173 | 1,173 |
| Excise tax | - | 3,072 | 3,072 |
| Lottery Proceeds | 3,722 | - | 3,722 |
| Interest | - | 59 | 59 |
| TOTAL REVENUES | 3,722 | 35,090 | 38,812 |
| EXPENDITURES | | | |
| Parks and Recreation | - | 21,744 | 21,744 |
| Supplies | - | 13,731 | 13,731 |
| Insurance | - | 9,340 | 9,340 |
| TOTAL EXPENDITURES | - | 44,815 | 44,815 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 3,722 | (9,725) | (6,003) |
| FUND BALANCE, Beginning | 40,874 | 101,766 | 142,640 |
| FUND BALANCE, Ending | \$ 44,596 | \$ 92,041 | \$ 136,637 |

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
For the Year Ended December 31, 2022

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- POSITIVE (NEGATIVE) |
|---|--------------------|-----------------|-----------|-------------------------------------|
| REVENUES | | | | |
| Lottery proceeds | \$ 2,000 | \$ 2,000 | \$ 3,722 | \$ 1,722 |
| EXPENDITURES | | | | |
| Parks and Recreation | 30,000 | 30,000 | - | 30,000 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (28,000) | (28,000) | 3,722 | (28,278) |
| Fund Balance, Beginning | 40,874 | 40,874 | 40,874 | - |
| Fund Balance, Ending | \$ 12,874 | \$ 12,874 | \$ 44,596 | \$ (28,278) |

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE & TRAILS FUND
For the Year Ended December 31, 2022

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- POSITIVE (NEGATIVE) |
|---|--------------------|------------------|------------------|-------------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Sales and use tax | \$ 15,450 | \$ 20,000 | \$ 30,786 | \$ 10,786 |
| Lodging tax | 900 | 900 | 1,173 | 273 |
| Excise tax | 500 | 3,000 | 3,072 | 72 |
| Grant revenue | 125,000 | 125,000 | - | (125,000) |
| Interest | 30 | 30 | 59 | 29 |
| TOTAL REVENUES | 141,880 | 148,930 | 35,090 | (113,840) |
| EXPENDITURES | | | | |
| Parks and Recreation Programs | 120,900 | 140,900 | 21,744 | 119,156 |
| Supplies | 7,500 | 7,500 | 13,731 | (6,231) |
| Insurance | 5,000 | 5,000 | 9,340 | (4,340) |
| TOTAL EXPENDITURES | 133,400 | 153,400 | 44,815 | 108,585 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 8,480 | (4,470) | (9,725) | (5,255) |
| Fund Balance, Beginning | 101,766 | 101,766 | 101,766 | - |
| Fund Balance, Ending | \$ 110,246 | \$ 97,296 | \$ 92,041 | \$ (5,255) |

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION-
BUDGET (NON-GAAP) AND ACTUAL
ENTERPRISE FUND - WATER
For the Year Ended December 31, 2022

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|---|---------------------|---------------------|--------------------|------------------------------------|
| REVENUES | | | | |
| Charges to customers | \$ 138,000 | \$ 138,000 | \$ 175,310 | \$ 37,310 |
| Grants | 234,500 | 234,500 | - | (234,500) |
| Electric Reimbursement | 1,492 | 1,492 | - | (1,492) |
| Interest | 50 | 50 | 763 | 713 |
| TOTAL REVENUES | 374,042 | 374,042 | 176,073 | (197,969) |
| EXPENSES | | | | |
| Salaries | 74,000 | 74,000 | 82,945 | (8,945) |
| Employee Benefits - Life | 50 | 50 | - | 50 |
| Repairs and maintenance | 7,500 | 7,500 | 12,051 | (4,551) |
| Insurance | 7,000 | 7,000 | 80 | 6,920 |
| Supplies | 5,000 | 5,000 | 12,416 | (7,416) |
| Water Samples | 2,500 | 2,500 | 1,170 | 1,330 |
| Electric | 5,500 | 5,500 | 3,621 | 1,879 |
| Propane | 5,000 | 5,000 | 4,064 | 936 |
| Utilities-other | 2,000 | 2,000 | 1,495 | 505 |
| Dolores Water Conservancy | 2,700 | 2,700 | 2,700 | - |
| Miscellaneous | 8,500 | 8,500 | 7,824 | 676 |
| Capital Outlay | 365,000 | 365,000 | - | 365,000 |
| TOTAL EXPENSES | 484,750 | 484,750 | 128,366 | 356,384 |
| CHANGE IN NET POSITION, Budget Basis | \$ (110,708) | \$ (110,708) | 47,707 | \$ 158,415 |
| ADJUSTMENTS TO GAAP BASIS: | | | | |
| Less: | | | | |
| Depreciation | | | (86,181) | |
| CHANGE IN NET POSITION, GAAP Basis | | | \$ (38,474) | |

See the accompanying Independent Auditor's Report.

TOWN OF RICO, COLORADO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION -
BUDGET (NON-GAAP) AND ACTUAL
ENTERPRISE FUND - SEWER
For the Year Ended December 31, 2022

| | ORIGINAL & FINAL BUDGET | ACTUAL | VARIANCE POSITIVE (NEGATIVE) |
|------------------------|-------------------------------|------------------|------------------------------------|
| REVENUES | | | |
| Property taxes | \$ 26,049 | \$ 27,161 | \$ 1,112 |
| Specific ownership tax | 800 | 1,456 | 656 |
| Interest | 105 | 133 | 28 |
| TOTAL REVENUES | 26,954 | 28,750 | 1,796 |
| EXPENSES | | | |
| Operating | 15,150 | 7,079 | 8,071 |
| TOTAL EXPENSES | 15,150 | 7,079 | 8,071 |
| NET INCOME | \$ 11,804 | \$ 21,671 | \$ 9,867 |

See the accompanying Independent Auditor's Report.

Supplemental Data for Oversight Agencies

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

| | |
|---|--|
| LOCAL HIGHWAY FINANCE REPORT | City or County: Town of Rico |
| | YEAR ENDING : December 2022 |
| This Information From The Records Of (example - City of _ or County of _ Town of Rico | Prepared By: Chauncey McCarthy, Town Manager Phone: 970-967-2863 |

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) | 7,307 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 68,841 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | 0 |
| 2. General fund appropriations | | b. Snow and ice removal | 0 |
| 3. Other local imposts (from page 2) | 50,961 | c. Other | 0 |
| 4. Miscellaneous local receipts (from page 2) | 11,639 | d. Total (a. through c.) | 0 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 0 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | 0 |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 76,148 |
| 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) | 62,600 | b. Redemption | 0 |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 90,162 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 0 | a. Interest | 0 |
| E. Total receipts (A.7 + B + C + D) | 152,762 | b. Redemption | 0 |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.c + 2.c) | 0 |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 76,148 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | 69,215 | 152,762 | 76,148 | 145,829 | 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 | 12,308 | a. Interest on investments | 67 |
| b. Other local imposts: | | b. Traffic Fines & Penalties | |
| 1. Sales Taxes | 30,786 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | | f. Charges for Services | |
| 5. Specific Ownership &/or Other | 7,867 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 38,653 | h. Other | 11,572 |
| c. Total (a. + b.) | 50,961 | i. Total (a. through h.) | 11,639 |
| | (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 | 18,093 | 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 | | d. Federal Transit Admin | |
| d. Other -Rico Center Grant | 33,000 | e. U.S. Corps of Engineers | |
| e. Other (Specify) Road & Bridge/Mineral Leasing/Severance | 39,069 | f. Other Federal | |
| f. Total (a. through e.) | 72,069 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 90,162 | 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 | | 7,307 | 7,307 |
| (3). System Preservation | | 0 | 0 |
| (4). System Enhancement & Operation | | 0 | 0 |
| (5). Total Construction (1) + (2) + (3) + (4) | 0 | 7,307 | 7,307 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0 | 7,307 | 7,307 |
| | | | (Carry forward to page 1) |
| Notes and Comments: | | | |



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Board of Trustees
Town of Rico, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Rico, Colorado (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, and have issued our report thereon dated July 20, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Rico's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATLAS CPAs & Auditors PLLC

Phoenix, Arizona
July 20, 2023

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-001

Material Weakness in Internal Control over Financial Reporting—Inadequate Segregation of Duties

Criteria: The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the Town's assets and ensure accurate financial reporting.

Condition: Presently, the same individuals perform all duties at the Town.

Context: We observed inadequate segregation of duties by reviewing an organizational chart, observing the small number of staff present at the Town, and through interviews of personnel and management.

Effect or Potential Effect: Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to the utility billing and collection activities, including misappropriation of assets, could occur and not be detected within a timely basis.

Cause: The entity's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.

Same Finding as 2021-001 – Segregation of Duties.

Recommendation: Management and the board should consider a formal evaluation of their risks associated with this lack of duties segregation. In response to the identified risks, consideration should be given to identifying and implementing controls that could help mitigate the risks associated with lack of segregation of duties, such as providing increased management oversight and an independent reconciliation of accounts. It is typical for smaller entities like the Town to contract a fee accountant or have Board members provide additional internal control.

Management's Response: Staffing levels at the Town make it impossible to have complete segregation of duties over the accounting functions. The Town will continue to evaluate internal controls and implement procedures when necessary to safeguard assets and prevent errors and fraud. The Town will also continue contracting with a fee accountant to add a layer of internal control and provide accounting expertise during year-end closeout.



Town of Rico
2023 Fiscal Year Budget
Amended

**TOWN OF RICO
ORDINANCE NO. 2023-05**

**AN ORDINANCE OF THE BOARD OF TRUSTEES OF TOWN OF RICO,
COLORADO AMENDING THE YEAR 2023 BUDGET AND APPROVING
SUPPLEMENTAL APPROPRIATIONS OF MONEY**

WHEREAS, the Town of Rico, Colorado (“Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Town of Rico Home Rule Charter; and

WHEREAS, the Board of Trustees of the Town of Rico (“Board”) designated Chauncey McCarthy, Rico Town Manager to prepare and submit a proposed budget to the Governing Body; and

WHEREAS, the Board adopted the 2023 Budget for the Town of Rico by enacting Ordinance 2022-11 on 16th day of November 2022; and

WHEREAS, Section 6.7 of the Town of Rico Home Rule Charter provides that the Board may make additional appropriations by ordinance during the fiscal year for unanticipated expenditures required of the Town; and

WHEREAS, the Board finds it necessary for the preservation of the health, safety and welfare of the Town to amend the 2023 Budget to reflect additional revenues and expenditures available to the General Fund, Park Fund, Street Fund, and Water Fund; and

WHEREAS, management, by direction of the Board, finds it necessary to purchase equipment, increase staffing, and plan and construct facility upgrades

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE TOWN OF RICO ORDAINS:

Section 1. The recitals hereinabove are hereby adopted as findings and incorporated herein.

Section 2.

A. The 2023 budget revenues and expenditures as follows:

General Fund revenue for building permits has been amended to \$18,000.

General Fund revenue for development applications has been amended to \$1,000.

General Fund revenue for interest has been amended to \$14,000.

General Fund revenue for rent has been amended to \$0.

General Fund revenue for payroll transfers has been amended to \$161,700

General Fund revenue for attorney pass through has been amended to \$175,000

General Fund expenditure for maintenance 2 has been amended to \$40,000
 General Fund expenditure for IT/Website has been amended to \$3,000
 General Fund expenditure for employee health insurance has been amended to \$42,000
 General Fund expenditure for attorney pass through has been amended to \$175,000
 General Fund expenditure for CIRSA insurance has been amended to \$7,300
 General Fund expenditure for town vehicle has been amended to \$10,000
 General Fund revenue for excise tax has been amended to \$6,500
 General Fund revenue for lease purchase transfer has been amended to \$20,000
 General Fund revenue for DOLA planning grant has been amended to \$25,000
 General Fund revenue for DOLA town shop grant has been amended to \$950,000
 General Fund revenue for COP Vectra Bank has been amended to \$500,000
 General Fund revenue for commercial space sale has been amended to \$194,000
 General Fund revenue for CFHA micro grant has been amended to \$5,700
 General Fund expenditure for town shop construction has been amended to \$1,977,000
 General Fund expenditure for lease purchase payment has been amended to \$40,000
 General Fund expenditure for sound proofing has been amended to \$5,700
 Water Fund expenditure for rate study has been amended to \$9,000
 Water Fund expenditure for lease purchase transfer has been amended to \$10,000
 Water Fund expenditure for engineer services has been amended to \$30,000
 Park Fund revenue for excise tax has been amended to \$6,500
 Street Fund revenue for excise tax has been amended to \$6,500
 Street Fund expenditure for payroll transfer has been amended to \$52,900
 Street Fund expenditure for fuel has been amended to \$16,000
 Street Fund expenditure for insurance has been amended to \$4,700
 Street Fund expenditure for lease purchase transfer has been amended to \$10,000
 Street Fund expenditure for facility planning has been amended to \$0

B. The Board does hereby adopt and approve the above supplemental budget and appropriations to the 2023 budget for the Town of Rico which adjusts the 2023 budget summary by fund as follows:

General Fund Revenue: \$2,414,935.00
 General Fund Expenditures: \$2,725,790.00

Park Fund Revenue: \$64,995.00

Street Fund Revenue: \$78,515.00
Street Fund Expenditures: \$104,700

Water Fund Expenditures: \$195,500

Section 3. This Ordinance shall take effect immediately upon final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY THIS 2ND DAY OF AUGUST 2023.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY THIS 16TH DAY OF AUGUST 2023.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

Effective Date: August 16, 2023

| | 2021 | 2022 | 2022 | 2022 | 2023 | |
|--|-------------------|-------------------|-----------------------|---------------------------|---------------------|---|
| General Fund Revenues | Audit | Budget | Original vs Projected | Projected Year End Budget | Proposed Budget | Notes |
| Operating Revenues | | | | | | |
| Property Tax* | 77,777.00 | 86,101.09 | -5,101.09 | 81,000.00 | 85,880.00 | 1 |
| Delinquent Taxes & Interest | 303.00 | 200.00 | 4,650.00 | 4,850.00 | 1,000.00 | |
| Lodging Tax | - | 4,000.00 | 0.00 | 4,000.00 | 4,000.00 | No new rentals 2022 - 8 month average 20,000 2023 - based upon 18,333 average |
| Sales & Use Tax | 178,840.00 | 175,000.00 | 65,000.00 | 240,000.00 | 220,000.00 | Based on prior year audit |
| Specific Ownership Tax | 4,507.00 | 4,000.00 | 0.00 | 4,000.00 | 4,500.00 | Based on 2022 collection |
| Cigarette Tax | - | 190.00 | -10.00 | 180.00 | 180.00 | Motor Vehicle sales tax goes into S/U |
| Motor Vehicle Tax | 1,772.00 | 1,500.00 | -1,100.00 | 400.00 | 0.00 | |
| Total Operating Revenues | 263,199.00 | 270,991.09 | 63,438.91 | 334,430.00 | 315,560.00 | |
| Intergovernmental Revenue | | | | | | |
| Mineral Leasing | 13,077.00 | 5,000.00 | -5,000.00 | 0.00 | 0.00 | Moved to street fund |
| Severance Tax | 385.00 | 0.00 | 0.00 | 0.00 | 0.00 | Moved to street fund |
| Building Permits - All licenses and permits are grouped together in audit | 18,487.00 | 5,000.00 | 1,000.00 | 6,000.00 | 18,000.00 | Amended |
| Septic Permit | - | 375.00 | 825.00 | 1,200.00 | 1,200.00 | Based on 2022 construction |
| Development Applications | - | 20,000.00 | -18,500.00 | 1,500.00 | 1,000.00 | |
| Business Licenses | - | 200.00 | 525.00 | 725.00 | 725.00 | Amended |
| Dog Licenses (licenses & permits together on audit) | - | 100.00 | 50.00 | 150.00 | 150.00 | Based on 2022 |
| Total Intergovernmental Revenues & Fees | 31,949.00 | 30,675.00 | -21,100.00 | 9,575.00 | 21,075.00 | |
| Miscellaneous Revenues | | | | | | |
| Interest | 728.00 | 475.00 | 75.00 | 550.00 | 14,000.00 | Amended |
| Fines & Forfeits | 11,791.00 | 10,000.00 | 3,000.00 | 13,000.00 | 13,000.00 | Based on 2022 projected year end. |
| Rent - in miscellaneous in audit | - | 5,400.00 | -600.00 | 4,800.00 | 0.00 | Amended |
| SMPA dividend - in miscellaneous in audit | - | 400.00 | 170.00 | 570.00 | 400.00 | |
| Rico Center Miscellaneous Revenues (lumped together in audit) | - | 0.00 | 0.00 | 0.00 | 0.00 | No GF grant request |
| CVRF (COVID relief fund) - in miscellaneous in audit | - | 29,000.00 | 30.00 | 29,030.00 | 0.00 | |
| Total Miscellaneous | 71,718.00 | 45,275.00 | 2,675.00 | 47,950.00 | 27,400.00 | |
| Total Revenues before Payroll Transfers | | | | | | |
| | 366,866.00 | 346,941.09 | 45,013.91 | 391,955.00 | 364,035.00 | |
| Transfers | | | | | | |
| Payroll Transfer | 158,176.00 | 128,649.38 | 7,350.62 | 136,000.00 | 161,700.00 | Amended |
| Attorney pass through | - | 75,000.00 | 159,000.00 | 234,000.00 | 175,000.00 | Amended |
| Contract Labor Transfers | - | 8,000.00 | -8,000.00 | 0.00 | 0.00 | |
| Total Payroll Transfers to / From Other Funds | 158,176.00 | 211,649.38 | 158,350.62 | 370,000.00 | 336,700.00 | |
| Total Operating Revenues and Transfers | | | | | | |
| | 525,042.00 | 558,590.47 | 203,364.53 | 761,955.00 | 700,735.00 | |
| Special Projects Revenues | | | | | | |
| | 55,684.00 | 23,400.00 | -10,600.00 | 12,800.00 | 1,714,200.00 | |
| Total Revenues | | | | | | |
| | 580,726.00 | 581,990.47 | 192,764.53 | 774,755.00 | 2,414,935.00 | |
| Expenses - Total | | | | | | |
| | 527,898.00 | 864,990.04 | -17,590.04 | 847,400.00 | 2,725,790.00 | |
| Fund Balance Ending | | | | | | |
| | 937,388.00 | 654,388.43 | | 864,743.00 | 553,888.00 | |

| General Fund Employee & Contract Labor Expenses | 2021 | 2022 | 2022 | 2022 | 2023 | Notes |
|--|-------------------|-------------------|-----------------------|---------------------------|---------------------|---|
| | Audit | Budget | Original vs Projected | Projected Year End Budget | Proposed Budget | |
| Operating Expenses | | | | | | |
| Salaries & Wages | | | | | | |
| Town Administrator / Manager | 40,940.00 | 70,000.00 | 1,000.00 | 71,000.00 | 79,000.00 | Cost of living increase (CPI) Increase to stay compliant with |
| Maintenance 1 | 36,570.00 | 37,044.89 | 3,455.11 | 40,500.00 | 50,000.00 | exempt wage minimums |
| Town Clerk / Admin Assistant | 33,723.00 | 43,000.00 | -2,000.00 | 41,000.00 | 46,650.00 | Cost of living increase (CPI) |
| Park & Recreation Administrator - combined with all POST programs in audit | - | 5,000.00 | -5,000.00 | 0.00 | 0.00 | Position not needed due to town manager in role |
| Park & Recreation groomer - combined with all POST programs in audit | - | 7,000.00 | -500.00 | 6,500.00 | 7,000.00 | Based on last year |
| Park & Recreation ice rink & park - combined with all POST programs in audit | - | 8,900.00 | -6,900.00 | 2,000.00 | 7,000.00 | No rink for 2023 |
| Maintenance 2 | - | 35,000.00 | -2,000.00 | 33,000.00 | 40,000.00 | Amended |
| Water Technician | 5,275.00 | 4,000.00 | -1,500.00 | 2,500.00 | 4,000.00 | Based on 2022 |
| Town Marshall | 20,552.00 | 30,000.00 | -14,000.00 | 16,000.00 | 20,000.00 | |
| Subtotal - Salaries & Wages | 137,060.00 | 239,944.89 | -27,444.89 | 212,500.00 | 253,650.00 | |
| Employee Taxes and Benefits | | | | | | |
| Payroll Taxes | 12,266.00 | 35,000.00 | -20,750.00 | 14,250.00 | 20,000.00 | 7.6% Employer match |
| FAMLI | - | - | - | - | 1,200.00 | .45% Employer match |
| Employer PERA (employee benefits combined on audit) | 59,307.00 | 32,000.00 | -8,000.00 | 24,000.00 | 26,000.00 | 14.75% of full time wages |
| Employee Health Insurance | - | 38,000.00 | -4,500.00 | 33,500.00 | 42,000.00 | Amended |
| Employee Life Insurance (employee benefits combined on audit) | - | 137.00 | 3.00 | 140.00 | 140.00 | Based on 2022 |
| Employee Consideration | - | 3,000.00 | 0.00 | 3,000.00 | 3,000.00 | |
| Subtotal - Employee Taxes & Benefits | 71,573.00 | 108,137.00 | -33,247.00 | 74,890.00 | 92,340.00 | |
| Subtotal - Employee Costs | 208,633.00 | 348,081.89 | -60,691.89 | 287,390.00 | 345,990.00 | |
| Other Labor | | | | | | |
| Municipal Court Judge (Part Time) | 4,500.00 | 4,500.00 | 0.00 | 4,500.00 | 4,500.00 | |
| Town Attorney (plus prosecutor) | 37,087.00 | 30,000.00 | 0.00 | 30,000.00 | 30,000.00 | |
| VCUP Attorney (pass through) | - | 75,000.00 | 61,000.00 | 136,000.00 | 175,000.00 | Amended |
| Town Planner | - | 20,000.00 | -15,000.00 | 5,000.00 | 5,000.00 | |
| Auditor | 6,357.00 | 12,000.00 | 200.00 | 12,200.00 | 6,300.00 | Split between water |
| Building Inspector - not on audit | - | 5,000.00 | -5,000.00 | 0.00 | 5,000.00 | |
| Accounting Services (Contract) | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Subtotal - Other Labor | 47,944.00 | 146,500.00 | 41,200.00 | 187,700.00 | 225,800.00 | |
| Total Employee & Other Labor | 256,577.00 | 494,581.89 | -19,491.89 | 475,090.00 | 571,790.00 | |
| Other Administrative Expenses | 223,399.00 | 93,250.40 | 5,259.60 | 98,510.00 | 116,300.00 | |
| Special Projects Expenses | 47,868.00 | 277,157.75 | -3,357.75 | 273,800.00 | 2,037,700.00 | |
| Total General Fund Expenses | 527,898.00 | 864,990.04 | -17,590.04 | 847,400.00 | 2,725,790.00 | |

| General Fund Other Administrative Expenses | 2021 | 2022 | 2022 Original vs Projected | 2022 Projected Year End Budget | 2023 Proposed Budget | Notes |
|--|-------------------|------------------|----------------------------|--------------------------------|----------------------|---|
| Administrative Costs | | | | | | |
| Insurance (CIRSA) | 4,169.00 | 5,200.00 | 2,210.00 | 7,410.00 | 7,300.00 | Amended |
| IT/Website - Domain | | | | | | |
| Maintenance - under miscellaneous in audit | - | 2,000.00 | -2,000.00 | 0.00 | 3,000.00 | Amended |
| Advertisements/Agenda - in supplies in audit | - | 2,000.00 | -1,500.00 | 500.00 | 1,000.00 | |
| Supplies | 15,769.00 | 12,000.00 | -2,000.00 | 10,000.00 | 10,000.00 | Based on 2022 projected year end |
| Dues & Fees - in miscellaneous in audit | - | 3,000.00 | -1,000.00 | 2,000.00 | 3,000.00 | Region 9 EDD and SWCOG combining |
| Travel/Conference/ Training Expenses - in miscellaneous in audit | - | 7,500.00 | -2,500.00 | 5,000.00 | 7,500.00 | CML conference for board members. |
| Miscellaneous | 191,252.00 | 2,000.00 | -1,800.00 | 200.00 | 0.00 | |
| Subtotal - Administrative Costs | 211,190.00 | 33,700.00 | -8,590.00 | 25,110.00 | 31,800.00 | |
| Utilities | | | | | | |
| Electric | - | 2,200.00 | -700.00 | 1,500.00 | 2,000.00 | Conservative estimate |
| Propane | - | 5,000.00 | 500.00 | 5,500.00 | 5,500.00 | |
| Telephone & Internet | - | 6,000.00 | -1,900.00 | 4,100.00 | 4,500.00 | Cancelled unused accounts in 2022 |
| Utilities-Other (all included in audit) | 12,209.00 | 1,000.00 | 200.00 | 1,200.00 | 1,200.00 | Based on 2022 projected year end |
| Subtotal - Utilities | 12,209.00 | 14,200.00 | -1,900.00 | 12,300.00 | 13,200.00 | |
| Town Vehicle Costs | | | | | | |
| Fuel (not separated on audit) | - | 3,500.00 | -1,300.00 | 2,200.00 | 3,000.00 | |
| Repair & Maintenance | - | 0.00 | 1,000.00 | 1,000.00 | 10,000 | Amended |
| Subtotal - Vehicle Costs | 0.00 | 3,500.00 | -300.00 | 3,200.00 | 13,000.00 | |
| Other | | | | | | |
| Facilities Maintenance - all lumped into special projects on Audit | - | 0.00 | 0.00 | 0.00 | 5,000.00 | |
| Elections | - | 3,000.00 | -2,000.00 | 1,000.00 | 2,000.00 | |
| July 4th Expenses | - | 2,500.00 | -950.00 | 1,550.00 | 2,000.00 | |
| Town Cleanup Day | - | 6,000.00 | -1,150.00 | 4,850.00 | 2,000.00 | Town Cleanup day to be changed to an event focused on cleaning outdoor spaces |
| Treasurer Fees | - | 2,500.00 | 0.00 | 2,500.00 | 2,500.00 | Based on 2022 |
| Lodging Tax Transfer | - | - | - | - | 800.00 | Transfers from General Fund to POST and Street Funds 20% |
| Sales & Use Tax Transfer | - | 25,350.40 | 22,649.60 | 48,000.00 | 44,000.00 | Transfers from General Fund to POST and Street Funds 20% |
| Traffic Fine-Surcharge | - | 2,500.00 | -2,500.00 | 0.00 | 0.00 | |
| Subtotal - Other | 0.00 | 41,850.40 | 16,049.60 | 57,900.00 | 58,300.00 | |
| Total Other Administrative Expenses | 223,399.00 | 93,250.40 | 5,259.60 | 98,510.00 | 116,300.00 | |

| General Fund Capital Improvement Revenues | 2021 | 2022 | 2022 | 2022 | 2023 | Notes |
|--|------------------|-------------------|---------------------|---------------------------|---------------------|---------------------------|
| | Audit | Budget | Original vs Amended | Projected Year End Budget | Proposed Budget | |
| Excise Tax | - | 2,000.00 | 2,500.00 | 4,500.00 | 6,500.00 | Amended |
| Total Capital Improvement Revenues | 0.00 | 2,000.00 | 2,500.00 | 4,500.00 | 6,500.00 | |
| Special Projects / Grants Revenues | | | | | | |
| Lease Purchase Transfer | - | 0.00 | 0.00 | 0.00 | 20,000.00 | Amended |
| DOLA Planning Grant | - | 0.00 | 0.00 | 25,000.00 | 25,000.00 | Amended |
| DOLA EIAF Town Shop Grant | | 0.00 | 0.00 | 0.00 | 950,000.00 | Amended |
| COP Vectra Bank | | 0.00 | 0.00 | 0.00 | 500,000.00 | Amended |
| Commerical Space Sale | | 0.00 | 0.00 | 0.00 | 194,000.00 | Amended |
| CFHA Mirco Grant | | 0.00 | 0.00 | 0.00 | 5,700.00 | Amended |
| Rico Center Cemetery Pass through | - | 3,400.00 | 4,900.00 | 8,300.00 | 13,000.00 | Based on 2022 (pass-thru) |
| Rico Center - River Corridor | - | 3,000.00 | -3,000.00 | 0.00 | 0.00 | |
| Rico Center - LUC Amendments | - | 15,000.00 | -15,000.00 | 0.00 | 0.00 | |
| Rico Center - Facilities improvements | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Rico Center - Food Bank & Rico Cares | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| All lumped together on Audit | 55,684.00 | | | | | |
| Total Special Projects / Grants Revenues | 55,684.00 | 21,400.00 | -13,100.00 | 8,300.00 | 1,707,700.00 | |
| Total Capital & Special Projects Revenues | 55,684.00 | 23,400.00 | -10,600.00 | 12,800.00 | 1,714,200.00 | |
| Capital Improvements Expenses | | | | | | |
| Facility Improvements (all special projects together in audit) | 47,868.00 | 135,000.00 | 0.00 | 135,000.00 | 0.00 | |
| Town Shop Planning and Construction | - | 0.00 | 0.00 | 0.00 | 1,977,000.00 | |
| Lease Purchase Payment | - | 0.00 | 0.00 | 0.00 | 40,000.00 | |
| John Deere Loader | - | 120,000.00 | 0.00 | 120,000.00 | 0.00 | Purchased in 2022 |
| Total Capital Improvements Expenses | 47,868.00 | 255,000.00 | 0.00 | 255,000.00 | 2,017,000.00 | |
| Special Projects Expenses | | | | | | |
| River Corridor | - | 5,000.00 | 5,000.00 | 10,000.00 | 0.00 | Project completed |
| LUC Amendments & High Resolution Photo | - | 10,757.75 | -10,757.75 | 0.00 | 0.00 | |
| Rico Center Cemetery Pass through | - | 3,400.00 | 4,900.00 | 8,300.00 | 13,000.00 | Based on 2022 (pass-thru) |
| Sound Proofing Courtroom | - | 0.00 | 0.00 | 0.00 | 5,700.00 | |
| Community Meetings | - | 3,000.00 | -2,500.00 | 500.00 | 2,000.00 | |
| Total Special Projects/ Capital Improvement Expenses | 47,868.00 | 277,157.75 | -3,357.75 | 273,800.00 | 2,037,700.00 | |

| 67 | 2021 | 2022 | 2022 | 2022 | 2023 | |
|--|-------------------|-------------------|----------------------------------|--------------------------------------|----------------------------|--------------|
| Water Fund Revenues | Audit | Budget | Original vs Projected | Projected Year End Budget | Proposed Budget | Notes |
| Operating Revenues | | | | | | |
| Water Revenue | 174,952.00 | 127,500.00 | 22,500.00 | 150,000.00 | 135,000.00 | 1 |
| Interest | 76.00 | 50.00 | 24.00 | 74.00 | 70.00 | |
| Electric Reimbursement | 995.00 | 1,492.00 | -52.00 | 1,440.00 | 1,450.00 | |
| Miscellaneous | - | 500.00 | -500.00 | - | 0.00 | |
| Total Water Fund Operating Revenues | 176,023.00 | 129,542.00 | 21,972.00 | 151,514.00 | 136,520.00 | |
| Capital Improvement Revenues | | | | | | |
| Water Meter Replacement & Relocation Grant | 132,311.00 | 0.00 | 120,064.00 | 120,064.00 | - | |
| Water Tap | - | 10,000.00 | 27,500.00 | 37,500.00 | 98,500.00 | |
| Tank Replacement | - | 234,500.00 | -234,500.00 | - | - | |
| Total Water Fund Capital Improvement Revenues | 132,311.00 | 244,500.00 | (86,936.00) | 157,564.00 | 98,500.00 | |
| Total Water Fund Revenues | 308,334.00 | 374,042.00 | -64,964.00 | 309,078.00 | 235,020.00 | |
| Expenses - Total | 318,257.00 | 143,250.05 | | 126,900.00 | 151,500.00 | |
| Fund Balance Ending | 23,168.00 | 253,959.95 | | 205,346.00 | 288,866.00 | |

Notes:

1 Base on number of accounts multiplied by monthly minimum rate: 20 Commercial (\$68/Month), 250 residential (\$38/Month)

| Water Fund Expenses | 2021 | 2022 | 2022 | 2022 | 2023 | Notes |
|--|-------------------|-------------------|---------------------|---------------------------|-------------------|------------------------|
| | Audit | Budget | Original vs Amended | Projected Year End Budget | Proposed Budget | |
| Operating Expenses | | | | | | |
| Payroll Transfer | 103,737.00 | 82,500.00 | 0.00 | 82,500.00 | 93,000.00 | |
| Employee Benefits Life | 31.00 | 50.00 | -50.00 | 0.00 | 0.00 | |
| Auditor | - | 6,000.00 | -6,000.00 | 0.00 | 6,300.00 | Split between general |
| Accountant | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Rate Study | - | 0.00 | 0.00 | 0.00 | 9,000.00 | Amended |
| Attorney | - | 2,000.00 | 2,000.00 | 4,000.00 | 2,500.00 | |
| Subtotal - Employee and Other Labor Costs | | | | | | |
| | 103,768.00 | 90,550.00 | - 4,050.00 | 86,500.00 | 110,800.00 | |
| Other Costs | | | | | | |
| Insurance | 4,612.00 | 7,000.00 | -500.00 | 6,500.00 | 6,500.00 | Based on renewal price |
| Repairs & Maintenance | - | 7,500.00 | -4,000.00 | 3,500.00 | 7,500.00 | |
| Supplies | 31,489.00 | 5,000.00 | 1,300.00 | 6,300.00 | 5,000.00 | |
| Water Samples | 2,158.00 | 2,500.00 | -500.00 | 2,000.00 | 2,500.00 | |
| Electric | 5,069.00 | 5,500.00 | -500.00 | 5,000.00 | 5,500.00 | |
| Propane | 3,000.00 | 5,000.00 | -1,000.00 | 4,000.00 | 5,000.00 | |
| Utilities - other | 1,578.00 | 2,000.00 | -500.00 | 1,500.00 | 2,000.00 | |
| Dolores Water Conservation District | 2,700.00 | 2,700.05 | -0.05 | 2,700.00 | 2,700.00 | |
| Miscellaneous | 28.00 | 500.00 | 0.00 | 500.00 | 500.00 | |
| Water Fund Operating Expenses | | | | | | |
| | 50,634.00 | 37,700.05 | - 5,700.05 | 32,000.00 | 37,200.00 | |
| Total Water Fund Operating Expenses | | | | | | |
| | 154,402.00 | 128,250.05 | -9,750.05 | 118,500.00 | 148,000.00 | |
| Capital Improvement Expenses | | | | | | |
| Lease Purchase Transfer | - | 0.00 | 0.00 | 0.00 | 10,000.00 | Amended |
| Water Meter Replacement & relocation | 163,855.00 | 0.00 | 0.00 | - | - | |
| Water Tap & Installation | - | 7,500.00 | -7,500.00 | 0.00 | 7,500.00 | |
| Preliminary maintenance facility planning | - | 5,000.00 | -1,600.00 | 3,400.00 | 0.00 | |
| Water Tank replacement | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Water Engineering Service | - | 2,500.00 | 2,500.00 | 5,000.00 | 30,000.00 | Amended |
| Total Water Capital Improvement Expenses | | | | | | |
| | 163,855.00 | 15,000.00 | - 6,600.00 | 8,400.00 | 47,500.00 | |
| Total Water Fund Expenses | | | | | | |
| | 318,257.00 | 143,250.05 | - 16,350.05 | 126,900.00 | 195,500.00 | |

| Street Fund Revenues | 2021 | 2022 | 2022 | 2022 | 2023 | Notes |
|---|------------------|-------------------|-----------------------|---------------------------|-------------------|---------|
| | Audit | Budget | Original vs Projected | Projected Year End Budget | Proposed Budget | |
| Operating Revenues | | | | | | |
| Property Tax | 10,704.00 | 11,804.18 | -896.18 | 10,908.00 | 11,775.00 | 1 |
| Sales & Use Tax | 24,949.00 | 20,000.00 | 0.00 | 20,000.00 | 22,000.00 | 2 |
| Specific Ownership Tax | 618.00 | 500.00 | 100.00 | 600.00 | 500.00 | |
| Delinquent Tax & Interest | - | 15.00 | 505.00 | 520.00 | 250.00 | |
| Franchise Tax | 6,227.00 | 7,300.00 | 200.00 | 7,500.00 | 7,000.00 | |
| Highway Users Tax | 18,396.00 | 12,800.00 | 2,200.00 | 15,000.00 | 13,000.00 | |
| County R&B Reapportionment | 11,814.00 | 11,800.00 | 1,250.00 | 13,050.00 | 12,000.00 | |
| Lodging Tax | - | - | - | - | 450.00 | 3 |
| Interest | 44.00 | 30.00 | 15.00 | 45.00 | 40.00 | |
| Miscellaneous | - | 500.00 | 9,500.00 | 10,000.00 | 0.00 | |
| Mineral Leasing | - | - | - | 20,000.00 | 5,000.00 | 4 |
| Severance Tax | - | - | - | 6,000.00 | 0.00 | 4 |
| Rico Center Grant - Plowing | 20,000.00 | 33,000.00 | 0.00 | 33,000.00 | 0.00 | |
| Total Street Fund Operating Revenues | 92,752.00 | 97,749.18 | 38,873.82 | 136,623.00 | 72,015.00 | |
| Capital Improvement Revenues | | | | | | |
| Excise Tax | 1,806.00 | 1,800.00 | 1,300.00 | 3,100.00 | 6,500.00 | Amended |
| Total Street Fund Capital Improvement Revenues | 1,806.00 | 1,800.00 | 1,300.00 | 3,100.00 | 6,500.00 | |
| Total Street Fund Revenues | 94,558.00 | 99,549.18 | 40,173.82 | 139,723.00 | 78,515.00 | |
| Expenses - Total | 85,968.00 | 108,350.00 | | 75,280.00 | 104,700.00 | |
| Fund Balance Ending | 69,215.00 | 60,414.18 | | 133,658.00 | 107,473.00 | |

| Street Fund Expenses | 2021 | 2022 | 2022 | 2022 | 2023 | Notes |
|---|------------------|-------------------|---------------------|---------------------------|-------------------|---------|
| | Audit | Budget | Original vs Amended | Projected Year End Budget | Proposed Budget | |
| Operating Expenses | | | | | | |
| Payroll Transfer | 37,631.00 | 40,000.00 | 0.00 | 40,000.00 | 52,900.00 | Amended |
| Auditor | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Accounting Services | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Subtotal - Employee and Other Labor Costs | | | | | | |
| | 37,631.00 | 40,000.00 | - | 40,000.00 | 52,900.00 | |
| Contract Snow Removal | 0.00 | 5,000.00 | -5,000.00 | 0.00 | 0.00 | 1 |
| Equipment Rental | 596.00 | 0.00 | 0.00 | 0.00 | 5,000.00 | |
| Fuel | 7,918.00 | 7,500.00 | 2,500.00 | 10,000.00 | 16,000.00 | Amended |
| Equipment Repairs & Maintenance | 4,652.00 | 5,000.00 | 2,500.00 | 7,500.00 | 5,000.00 | |
| Insurance | 4,321.00 | 6,500.00 | 0.00 | 6,500.00 | 4,700.00 | Amended |
| Supplies | 3,521.00 | 2,500.00 | -2,000.00 | 500.00 | 2,500.00 | |
| Electric | 1,383.00 | 2,000.00 | -625.00 | 1,375.00 | 2,000.00 | |
| Street Lights | 1,128.00 | 1,500.00 | -300.00 | 1,200.00 | 1,250.00 | |
| Utilities - other | 1,926.00 | 2,500.00 | -635.00 | 1,865.00 | 2,500.00 | |
| Treasurer Fees | 214.00 | 350.00 | -10.00 | 340.00 | 350.00 | |
| Total Street Fund Operating Expenses | | | | | | |
| | 25,659.00 | 32,850.00 | - 3,570.00 | 29,280.00 | 39,300.00 | |
| Capital Improvement Expenses | | | | | | |
| Gravel Project - Various Streets | - | 5,000.00 | -4,000.00 | 1,000.00 | 2,500.00 | |
| Equipment Lease Loader | 22,705.00 | 25,500.00 | -25,500.00 | 0.00 | 0.00 | |
| Lease Purchase Transfer | - | 0.00 | 0.00 | 0.00 | 10,000.00 | Amended |
| Preliminary maintenance facility planning | - | 5,000.00 | 0.00 | 5,000.00 | 0.00 | Amended |
| Water Truck | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Total Street Fund Capital Improvement Expenses | | | | | | |
| | 22,705.00 | 35,500.00 | -29,500.00 | 6,000.00 | 12,500.00 | |
| Total Street Fund Expenses | | | | | | |
| | 85,968.00 | 108,350.00 | -33,070.00 | 75,280.00 | 104,700.00 | |

| Sewer Fund | 2021 | 2022 | 2022 | 2022 | 2023 | Notes |
|--|-------------------|-------------------|-----------------------|---------------------------|-------------------|-------|
| | Audit | Proposed Budget | Original vs Projected | Projected Year End Budget | Proposed Budget | |
| Operating Revenues | | | | | | |
| Property Tax | 23,800.00 | 26,048.56 | -1,978.56 | 24,070.00 | 26,495.00 | 1 |
| Specific Ownership Tax | 1,363.00 | 800.00 | 125.00 | 925 | 950.00 | |
| Miscellaneous | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Delinquent Tax and Interest | 105.00 | 105.00 | 1,115.00 | 1,220.00 | 150.00 | |
| Total Sewer Fund Operating Revenues | 25,268.00 | 26,953.56 | -738.56 | 26,215.00 | 27,083.00 | |
| Sewer Fund Expenses | | | | | | |
| Payroll Transfer | 8,109.00 | 3,250.00 | 2,925.00 | 6,175.00 | 15,800.00 | |
| Septic Inspection Certification & Training | - | 1,200.00 | -1,200.00 | 0.00 | 1,000.00 | |
| Treasurer Fees | - | 700.00 | 50.00 | 750.00 | 750.00 | |
| Misc. Engineering/ legal | - | 10,000.00 | -10,000.00 | 0.00 | 50,000.00 | 2 |
| Total Sewer Fund Operating Expenses | 8,109.00 | 15,150.00 | -8,225.00 | 6,925.00 | 67,550.00 | |
| Fund Balance Ending | 216,125.00 | 227,928.56 | | 235,415.00 | 195,460.00 | |

Notes:

1. A levy of 3.939 mills upon each dollar of the total valuation for assessment of taxable property in the Town of Rico.

| | 2022 Nov AV | Property Taxes, 2022 | Mill Levy |
|-------------------------|--------------|----------------------|-----------|
| Assessed Valuation (AV) | 6,726,757.00 | 26,496.70 | 3.939 |

2. Misc. expenditures have been appropriated for the legal and engineering to be used for the creation of a sanitation district and cover cost associated with the CDS the town is to receive

| Parks, Open Space and Recreation (POST Fund) | 2021 | 2022 | 2022 | 2022 | 2023 | Notes |
|---|-------------------|-------------------|-----------------------|---------------------------|------------------|-------------|
| | Audit | Budget | Original vs Projected | Projected Year End Budget | Proposed Budget | |
| Operating Revenues | | | | | | |
| Sales & Use Tax | 24,575.00 | 20,000.00 | 0.00 | 20,000.00 | 22,000.00 | 1 |
| Lodging Tax | 869.00 | 900.00 | 350.00 | 1,250.00 | 450.00 | 2 |
| Interest | 48.00 | 30.00 | 10.00 | 40.00 | 45.00 | |
| Excise Tax | 1,998.00 | 3,000.00 | 100.00 | 3,100.00 | 6,500.00 | Amended (3) |
| Miscellaneous Income | 7,527.00 | | | | | |
| Total POST Fund Operating Revenues | 35,017.00 | 23,930.00 | 460.00 | 24,390.00 | 28,995.00 | |
| Special Project Revenues | | | | | | |
| Rico Center Grant | | - | - | - | 36,000.00 | |
| Rio Grande Southern Extension Grant Revenues | - | 125,000.00 | -125,000.00 | 0.00 | 0.00 | |
| Total POST Fund Revenues | 35,017.00 | 148,930.00 | -124,540.00 | 24,390.00 | 64,995.00 | |
| Operating Expenses | | | | | | |
| Grooming Payroll Transfer (all payroll combined on Audit) | 2,184.00 | 7,000.00 | -3,000.00 | 4,000.00 | 7,000.00 | |
| Ice Rink & Park Maintenance Payroll Transfer | - | 8,900.00 | -3,900.00 | 5,000.00 | 7,000.00 | |
| Administrator Payroll Transfer | - | 0.00 | 0.00 | 0.00 | 0.00 | |
| Repairs & Maintenance of Equipment (combined on audit) | - | 1,500.00 | 0.00 | 1,500.00 | 1,000.00 | |
| Supplies (combined on audit) | 15,791.00 | 7,500.00 | 0.00 | 7,500.00 | 5,000.00 | |
| Insurance | 3,245.00 | 5,000.00 | 0.00 | 5,000.00 | 2,500.00 | 4 |
| Miscellaneous | - | 500.00 | -500.00 | 0.00 | 500.00 | |
| Total POST Fund Operating Expenses | 21,220.00 | 30,400.00 | -7,400.00 | 23,000.00 | 23,000.00 | |
| Special Project Expenses | | | | | | |
| Flowers | - | 1,500.00 | -415.00 | 1,085.00 | 1,500.00 | |
| Carnival/Festival/Event | - | 1,500.00 | -1,500.00 | 0.00 | 1,500.00 | |
| Grooming supplies | - | - | - | - | 40,000.00 | |
| Facility and Planning improvements (FPM Consulting) | - | 20,000.00 | 0.00 | 20,000.00 | 20,000.00 | 5 |
| Rio Grande Southern Extension Trail | - | 100,000.00 | -100,000.00 | 0.00 | 0.00 | |
| POST Fund Special Project Expenses | 0.00 | 123,000.00 | -101,915.00 | 21,085.00 | 63,000.00 | |
| Total POST Expenses | 21,220.00 | 153,400.00 | | 44,085.00 | 86,000.00 | |
| Fund Balance Ending | 101,766.00 | 97,296.00 | | 82,071.00 | 61,066.00 | |

| Conservation Trust Fund (CTF) Fund | 2021 Audit | 2022 Budget | 2022 Original vs Projected | 2022 Projected Year End Budget | 2023 Proposed Budget | Notes |
|---|------------------|------------------|----------------------------------|--------------------------------------|-------------------------|-------|
| Operating Revenues | | | | | | |
| Lottery Proceeds | 3,517.00 | 2,000.00 | 1,000.00 | 3,000.00 | 2,500.00 | |
| Reimbursements | - | 0.00 | 0.00 | | | |
| Total CTF Revenues | 3,517.00 | 2,000.00 | 1,000.00 | 3,000.00 | 2,500.00 | |
| Conservation Trust Expenses | | | | | | |
| FMP Capital Park Improvement Grant Match | - | | | | 40,000.00 | 1 |
| Projects - Rio Grande Southern Trail | - | 30,000.00 | -30,000.00 | 0.00 | 0.00 | |
| Total CTF Expenses | 0.00 | 30,000.00 | -30,000.00 | 0.00 | 40,000.00 | |
| Total POST Expenses | 0.00 | 30,000.00 | | 0.00 | 40,000.00 | |
| Fund Balance Ending | 40,874.00 | 12,874.00 | | 43,874.00 | 6,374.00 | |

Notes:

- 1) Funds to be appropriated for the potential grant match required for the town's parks and rec facility improvements. Size and scope of project not yet determined by FMP consulting.

Submit to Local Licensing Authority

ENTERPRISE BAR AND GRILL
3 N GLASGOW AVENUE
Rico CO 81332

| Fees Due | |
|--|--------|
| Renewal Fee | 625.00 |
| Storage Permit \$100 X _____ | \$ |
| Sidewalk Service Area \$75.00 | \$ |
| Additional Optional Premise Hotel & Restaurant \$100 X _____ | \$ |
| Related Facility - Campus Liquor Complex \$160.00 per facility | \$ |
| Amount Due/Paid | \$625 |

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Colorado Beer and Wine License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

| | | | | | |
|---|-------------------------|--|--|-----------------------------|------------------------------|
| Licensee Name BOULDER CITY MIXOLOGY LLC | | | Doing Business As Name (DBA) ENTERPRISE BAR AND GRILL | | |
| Liquor License # 03-17818 | | License Type Hotel & Restaurant (city) | | | |
| Sales Tax License Number 95427203 | | Expiration Date 11/17/2023 | | Due Date 10/03/2023 | |
| Business Address 3 N GLASGOW AVENUE Rico CO 81332 | | | | | Phone Number 9709675555 |
| Mailing Address 3 N GLASGOW AVENUE Rico CO 81332 | | | | Email STU@BLMIXOLOGY.COM | |
| Operating Manager STARS WEITZMAN | Date of Birth 4/1/69 | Home Address 5060 RD 23 DUCKS, CO 81323 | | | Phone Number 206.295.9084 |
| 1. Do you have legal possession of the premises at the street address above? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the premises owned or rented? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Rented* *If rented, expiration date of lease <u>11/2027</u> | | | | | |
| 2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |
| 3a. Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |
| 3b. If so, which are you renewing? <input type="checkbox"/> Delivery <input type="checkbox"/> Takeout <input type="checkbox"/> Both Takeout and Delivery | | | | | |
| 4a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |
| 4b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |
| 5. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |
| 6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |

7. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. Yes No

8. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. Yes No

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business

SWARTZ WEITZMAN

Title

Owner

Signature

Date

8/9/23

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

Local Licensing Authority For

Date

Signature

Title

Attest

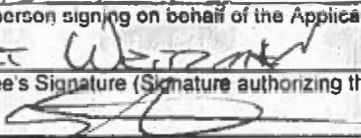
Tax Check Authorization, Waiver, and Request to Release Information

I, SWART WEITZMAN am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Boulder City Micrology, LLC (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

| | | | |
|--|--|--|------------------------------|
| Name (Individual/Business) <u>SWART WEITZMAN / BOULDER CITY MICROLOGY LLC</u> | | Social Security Number/Tax Identification Number [REDACTED] | |
| Address <u>13060 RD 28</u> | | | |
| City <u>DOLores</u> | | State <u>CO</u> | Zip <u>81323</u> |
| Home Phone Number <u>206-295-9084</u> | | Business/Work Phone Number | |
| Printed name of person signing on behalf of the Applicant/Licensee <u>SWART WEITZMAN</u> | | | |
| Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information)  | | | Date signed <u>8/9/23</u> |

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Submit to Local Licensing Authority

**MOTHERLODE LIQUORS
 PO BOX 2813
 Telluride CO 81435**

| Fees Due | |
|--|--------|
| Renewal Fee | 277.50 |
| Storage Permit \$100 X _____ | \$ |
| Sidewalk Service Area \$75.00 | \$ |
| Additional Optional Premise Hotel & Restaurant \$100 X _____ | \$ |
| Related Facility - Campus Liquor Complex \$160.00 per facility | \$ |
| Amount Due/Paid | \$ |

Make check payable to Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Retail Liquor License Renewal Application

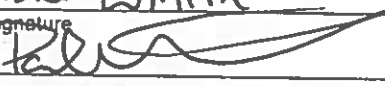
Please verify & update all information below

Return to city or county licensing authority by due date

| | | | |
|--|-------------------------------------|--|----------------------------|
| Licensee Name MOTHERLODE LIQUORS LLC | | Doing Business As Name (DBA) MOTHERLODE LIQUORS | |
| Liquor License # 03-13894 | License Type Liquor Store (city) | | |
| Sales Tax License Number 94547846 | Expiration Date 10/13/2023 | Due Date 08/29/2023 | |
| Business Address 5 NORTH GLASGOW AVENUE Rico CO 81332 | | | Phone Number 9709672337 |
| Mailing Address PO BOX 2813 Telluride CO 81435 | | Email Pwintner36@gmail.com | |
| Operating Manager Paul Wintin | Date of Birth 10/8/82 | Home Address 241 N. River St. Phone Number (970) 519-1017 | |
| 1. Do you have legal possession of the premises at the street address above? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the premises owned or rented? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Rented* *If rented, expiration date of lease 10/11/26 | | | |
| 2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 3a. Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 3b. If so, which are you renewing? <input type="checkbox"/> Delivery <input type="checkbox"/> Takeout <input type="checkbox"/> Both Takeout and Delivery | | | |
| 4a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 4b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 5. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |

7. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. Yes No

8. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. Yes No

| | | |
|--|---------|--------|
| Affirmation & Consent | | |
| I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge. | | |
| Type or Print Name of Applicant/Authorized Agent of Business | Title | |
| Paul Winton | Owner | |
| Signature | Date | |
|  | 7/25/23 | |
| Report & Approval of City or County Licensing Authority | | |
| The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules. Therefore this application is approved. | | |
| Local Licensing Authority For | | Date |
| Signature | Title | Attest |

Tax Check Authorization, Waiver, and Request to Release Information

I, *Paul Winton* am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of *Motherlobe Liquors* (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

| | | | |
|---|--------------------|---|-------------------------------|
| Name (Individual/Business) <i>Paul Winton / Motherlobe Liquors</i> | | [Redacted] | |
| Address <i>24 N. River St.</i> | | | |
| City <i>PICO</i> | State <i>CO</i> | Zip <i>81332</i> | |
| Home Phone Number <i>(970) 519-1017</i> | | Business/Work Phone Number <i>(970) 519-1017</i> | |
| Printed name of person signing on behalf of the Applicant/Licensee <i>Paul Winton</i> | | | |
| Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <i>[Signature]</i> | | | Date signed <i>7/24/23</i> |

Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

DRAFT - PROJECT BUDGET: RICO TOWN PARK - RECOMMENDATIONS - 8-5-23

| | Source of Funds | Date Secured | GOCO Funds | Applicant / Partner Funds | Total Funding | |
|--|---|--------------|----------------------|---------------------------|----------------------|------|
| CASH | Great Outdoors Colorado | | \$ 575,000.00 | | \$ 575,000.00 | |
| | Town of Rico - includes current 60K commitment; another 20K in next fiscal year | | | \$ 80,000.00 | \$ 80,000.00 | |
| | Skatepark Fundraising - \$17,191 raised to date; total projected to be raised is TBD | | | \$ 30,000.00 | \$ 30,000.00 | |
| | Rico Center Community Foundation - 20K allocated to campground; 20K for park project | | | \$ 40,000.00 | \$ 20,000.00 | |
| | Remediation - include costs as a project match? May help optics look better - TBD based on information at time of application | | | | TBD | \$ - |
| | Telluride School District *Note: this is pending outcome of Nov. election and Town negotiation with District | | | | TBD | \$ - |
| | San Miguel Power Association (SK) - need to confirm with local staff | | | | TBD | \$ - |
| | Telluride Foundation (up to 100K)- need Chancey to confirm | | | | TBD | \$ - |
| | El Pomar (20K) - need to confirm with staff before rolling \$ into budget cacls; feel 10K may be more realistic | | | | TBD | \$ - |
| | Remediation Costs | | | | TBD | \$ - |
| | Lower Section Property Improvements (town and DOLA approx. \$2M work - need to verify with Chancey) | | | | TBD | \$ - |
| | Richfield Oil - cash match for project? More than just remediation? Good PR for community | | | | TBD | \$ - |
| | Other fundraising to offset contingency | | | | TBD | \$ - |
| | IN-KIND | | | | | |
| Town of Rico - removal of existing playground equipment and surfacing, site prep *Need to verify with Town | | | | TBD | \$ - | |
| TOTAL SOURCE OF FUNDS | | | \$ 575,000.00 | \$ 150,000.00 | \$ 705,000.00 | |

FUTURE Phase / Add-ons by Community Foundation or Town of Rico over time

| TALLIES FROM COMMUNITY ENGAGEMENT - SHEETS TURNED IN TO DATE | | CASH | Use of Cash Funds | # of Units | Cost Per Unit | GOCO Funds | Applicant Funds | Total Funding | |
|--|-----------------|--|--|--------------------------------------|---------------|--------------|-----------------|--|---|
| COLOR CODING: | | GREEN = included in Scope - highest priority from community and Town | Orange - Excluded at this time due to budget constraints and/or how community scored amenity | | | | | | Cost of items not included, as a point of reference |
| % | TALLY BREAKDOWN | Project Management | Community driven design process, full project management *Note: Show total cost, and show portion already paid by Town under applicant funds | 15% total budget, per contract terms | | \$ 62,500.00 | \$ 20,000.00 | \$ 91,370.83 | |
| - | 25 | Upper Portion of Property: | | | | | | | |
| | | Bathroom | This will be an ADA port-a-potty per conversation with Chancey. Other toilet is cost prohibitive and not best long term solution for community | 1.00 | \$ 3,000.00 | | | \$ 3,500.00 | |
| | | Playground | Summit Recreation: Kompan Play Equipment and Surfacing (EWF) for play zones - ADA compliant; protected to full fall height safety requirements for equipment | 1.00 | \$ 185,000.00 | | | \$ 185,000.00 | |
| 92% | 23 | Turnkey Cost includes: Purchase, Freight, Mobilization, Installation, Inspection | List for finalized playground equipment in process - 2 bay swing set (1-basket swing, 1 set of 2 belt swings Preschool play equipment - ages 2-5 Explorer Dome / Features for ages 5-12, tweens, and adults Spice spinner? TBD? | | | | | \$ - \$ - \$ - \$ - \$ - \$ - | |
| 52% | 13 | 1.0,2.1,9.0 | Climbing Boulders | | | | | \$ - | \$ 54,852.00 |
| 16% | 4 | | Dash Station | | | | | \$ - | \$ 14,200.00 |
| | | | Summit Recreation: Solar powered running station that allows anyone to see how fast they can run and compare their time to the fastest of the day - Can be placed anywhere flat, up to 60' from start to finish. Price includes delivery and installation | | | | | \$ - | |
| | | Lower Portion of Property: | | | | | | \$ - | |
| 84% | 21 | Community Ice Rink / Gathering Area | Bannister Construction: Dual Purpose: Concrete surface - 44' x 100' (current size of portable rink is 40' x 60') - permanent placement of ice rink, for ice in winter to increase size of rink per community demand; for use in summer for multi-purpose games and community gathering space per community request | 1.00 | \$ 58,500.00 | | | \$ 58,500.00 | |
| 60% | 15 | Community Shade | General Steel: Dual Purpose: Shade over Ice Rink in winter to extend ice season; shade in summer for community gatherings | 1.00 | \$ 147,200.00 | | | \$ 147,200.00 | |
| | | Installation of Shade | Bannister Construction: * Note, this could be moved to in-kind contribution by Town of Rico - pending commitment from town - verifying ability to self-install (Christine checking with vendor) | 1.00 | \$ - | | | \$ - | \$ 31,050.00 |
| | | | | | | | | \$ - | |
| 60% | 15 | 1.3,2.9 (9 voted for 270K option - but need to do 180K to make budget work) | Skatepark | | | | | \$ 180,000.00 | |
| 88% | 22 | 19 for dirt | Pump Track | | | | | \$ 9,200.00 | |
| 48% | 12 | | Disc / Frisbee Golf | | | | | \$ - | \$ 8,115.00 |
| 32% | 8 | | Portable (quantity of 9) Disc Golf Baskets, to be assembled into a "Disc Golf Course" spread through the park. Price includes delivery and installation. | - | \$ - | | | \$ - | |
| 8% | 2 | | Community Fire Pit | | | | | \$ - | |
| | | | 8' circle with stone and wood storage | | | | | \$ - | |
| | | | Warming Hut / Concession and Equipment Rental area | | | | | \$ - | |
| 60% | 15 | | Site Amenities: | | | | | \$ - | |
| 80% | 20 | | Turnkey Cost includes: | | | | | \$ - | \$ 2,750.00 |
| 84% | 21 | | Picnic Table C/ ADA Table | | | | | \$ - | \$ 3,000.00 |
| | | | Picnic Table B' - 6 for campsites; 1 for park | 7.00 | \$ 3,000.00 | | | \$ 21,000.00 | \$ 2,300.00 |
| 36% | 9 | | Bench - 8' with back - for park | 2.00 | \$ 2,300.00 | | | \$ 4,600.00 | |
| 36% | 9 | | Grill | | | | | \$ - | |
| 60% | 15 | | Bear Proof Trash Station - for campground areas/to be shared between sites | 1.00 | \$ 4,629.17 | | | \$ 4,629.17 | |
| 52% | 13 | 2, 5, 6 | Pit Waste Station | | | | | \$ - | \$ 1,000.00 |
| | | | Additional Shade - top vote was for Fabric Option 2 | | | | | \$ - | \$ 74,300.00 |
| | | | | | | | | \$ - | |
| | | | Maintenance | | | | | \$ - | |
| | | | Town Investment / Cost for Project Life of maintenance over 25 years. *Please see attached maintenance budget in addendum | 1.00 | \$ - | | | \$ - | |
| | | | USE OF FUNDS - CASH SUBTOTAL | | | | | \$ 705,000.00 | \$ - |
| | | | IN-KIND | | | | | | |
| | | | Use of In-Kind Funds | | | | | | |
| | | | Site Prep: Donated by Town of Rico | 1.00 | TBD | | | \$ - | |
| | | | Removal of existing playground equipment and surfacing | | | | | \$ - | |
| | | | Other site prep for other areas? | | TBD | | | \$ - | |
| | | | Excavators / Volunteers to help prep site ? | | TBD | | | \$ - | |
| | | | USE OF FUNDS - IN-KIND SUBTOTAL | | | | | \$ - | \$ - |
| | | | TOTAL PROJECT COST | | | \$ - | \$ - | \$ 705,000.00 | |

Attn: Town of Rico.

This message is being presented to address the recent issue that we encountered when attempting to apply for a short term rental permit. We were told that our quadrant is full and therefore we will not be able to acquire a permit. There are currently 4 short term rentals in our quadrant and one in each of the other quadrants. In total Rico has 7 short term rentals and is allowed to have a maximum of 12 operating at a time.

When we discovered that our quadrant was full, we were surprised because we live at the top of Mill Road, and we only have 4 neighbors. We are writing this letter because we would like to be considered as an exception to this rule. Due to a couple of imaginary lines that were drawn, we have been exempt from being able to apply for a permit when there's still 5 more permits available in town.

The issue that most people have with STRs is that they believe by listing a home on Airbnb, it limits the amount of long term rentals available for the working community. Jennifer and I have owned and lived in our house for the last 7 years, and we don't plan on going anywhere anytime soon. We love it here! We also are not in a position to rent out our house long term. We have a 3 month old daughter who we plan on raising here. We need our spare bedroom so we can host our friends and family because there simply are not enough places in town for them to stay when they come for a visit.

Jennifer's family recently purchased a home in Mancos so that they can be closer to their granddaughter when they retire in a couple of years. They have asked us to help them with some renovations on their house over the winter. We plan on spending a couple of months on and off down there to help them out. If worse comes to worst and we are not able to apply for a STR license, we will be forced to rent month to month. This will not provide revenue to the town nor will it solve the long-term rental problems.

We have had many conversations with friends and businesses in Rico who are also upset with the current restrictions. One shared concern that I consistently hear about is that there are not any rentals available to host friends or family members. They are forced to rent in Telluride and to drive over the pass if they want to see Rico. This only provides more revenue to the town of Telluride

The Rico business owners could undoubtedly benefit from the extra people dining at their restaurants. Jennifer and I are only 2 people and we dine out at a maximum of once a month simply because Jennifer is such an amazing cook. If we had 6 people staying here, and we provided restaurant recommendations to them, they would significantly increase business throughout the town.

Another thought is that Rico is currently growing and more houses are being built. STR restrictions are based off of a percentage of homes that are currently available. As Rico continues to expand, this percentage will need to be adjusted accordingly. Perhaps we could be one of the new considerations.

In conclusion, we would like the opportunity to rent our home from time to time. When we take our daughter to see her cousin, we would like to make our house available when it is not being occupied. This would help supplement our income and increase town revenue when we are not occupying our house. Another option would be for us to host guests in a spare bedroom when we don't have family or friends visiting, but current restrictions do not allow us to do this. Please consider us as a special case because we are not an investment capital group trying to destroy a small town, we are simply a family who enjoys living here.

We would be very grateful if you considered our proposal. Thank you for your time.

Scott Smith