

TOWN OF GEORGETOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2019

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Board of Selectmen
Town of Georgetown
Georgetown, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expression an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of the Town's proportionate share, and the schedule of the Town's contributions on pages 33 - 35 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 not presented the management's discussion and analysis that governmental 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 operational, economic, or historical context. Our opinion is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Georgetown's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Cutler & Associates, LLC

July 29, 2020

BASIC FINANCIAL STATEMENTS

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS	TOTALS	
		TYPE ACTIVITIES	2019	2018
ASSETS				
Cash and Investments	\$ 959,807	\$ 2,064,820	\$ 3,024,627	\$ 1,770,886
Receivables				
Property Taxes	214,164	-	214,164	166,515
Accounts	188,294	128,257	316,551	317,929
Due From Other Governments	226,745		226,745	155,096
Inventory	-	10,046	10,046	6,846
Net Pension Asset	-	-	-	45,059
Capital Assets, Not Depreciated	2,638,397	7,500	2,645,897	3,320,886
Capital Assets, Depreciated Net of Accumulated Depreciation	1,889,679	13,343,993	15,233,672	11,693,185
TOTAL ASSETS	6,117,086	15,554,616	21,671,702	17,476,402
DEFERRED OUTFLOW OF RESOURCES				
Related to Pensions	135,741	-	135,741	80,681
LIABILITIES				
Accounts Payable	104,965	39,720	144,685	224,200
Retainage Payable	42,792	-	42,792	-
Accrued Salaries and Benefits	27,245	5,424	32,669	15,379
Accrued Interest	-	45,667	45,667	47,250
Net Pension Liability	33,723	-	33,723	-
Noncurrent Liabilities				
Due within One Year	44,052	345,551	389,603	408,121
Due in More Than One Year	235,119	4,349,009	4,584,128	4,990,289
TOTAL LIABILITIES	487,896	4,785,371	5,273,267	5,685,239
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	214,164	-	214,164	166,515
Related to Pensions	35,514	-	35,514	43,108
TOTAL DEFERRED INFLOWS OF RESOURCES	249,678	-	249,678	209,623
NET POSITION				
Invested in Capital Assets, Net of Related Debt	4,248,905	8,658,605	12,907,510	9,617,333
Restricted for Parks and Recreation	26,447	-	26,447	20,241
Restricted for Town Promotions	40,214	-	40,214	59,545
Restricted for Capital Improvements	297,079	-	297,079	301,487
Restricted for Operating & Maintenance Reserve	-	306,000	306,000	306,000
Restricted for Emergencies	175,000	-	175,000	100,000
Unrestricted	727,608	1,804,640	2,532,248	1,257,615
TOTAL NET POSITION	\$ 5,515,253	\$ 10,769,245	\$ 16,284,498	\$ 11,662,221

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 433,344	\$ 263,448	\$ 32,548	\$ -
Public Safety	364,027	-	-	-
Public Works	410,196	-	116,997	1,023,178
Parks and Recreation	171,461	-	6,157	-
Interest on Long-Term Debt	2,945	-	-	-
Total Governmental Activities	<u>1,381,973</u>	<u>263,448</u>	<u>155,702</u>	<u>1,023,178</u>
Business-Type Activities				
Water and Sewer	1,409,366	1,649,390	-	463,745
Interest on Long-Term Debt	65,333	-	-	-
Total Business-Type Activities	<u>1,474,699</u>	<u>1,649,390</u>	<u>-</u>	<u>463,745</u>
Total Primary Government	<u>\$ 2,856,672</u>	<u>\$ 1,912,838</u>	<u>\$ 155,702</u>	<u>\$ 1,486,923</u>

GENERAL REVENUES

Sales Taxes
Property Taxes
Specific Ownership Taxes
Franchise Taxes
Severance Taxes
Other Taxes
Interest
Other

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2019	2018
\$ (137,348)	\$ -	\$ (137,348)	\$ (217,484)
(364,027)	-	(364,027)	(347,003)
729,979	-	729,979	(100,034)
(165,304)	-	(165,304)	(128,241)
(2,945)	-	(2,945)	(8,926)
<u>60,355</u>	<u>-</u>	<u>60,355</u>	<u>(801,688)</u>
-	703,769	703,769	1,799,509
-	(65,333)	(65,333)	(213,486)
<u>-</u>	<u>638,436</u>	<u>638,436</u>	<u>1,586,023</u>
60,355	638,436	698,791	784,335
1,246,511	-	1,246,511	968,262
167,646	-	167,646	158,947
16,549	-	16,549	11,889
56,947	-	56,947	75,191
54,193	-	54,193	35,280
11,405	-	11,405	7,659
16,297	-	16,297	6,243
76,890	2,277,048	2,353,938	298,873
<u>1,646,438</u>	<u>2,277,048</u>	<u>3,923,486</u>	<u>1,562,344</u>
1,706,793	2,915,484	4,622,277	2,346,679
<u>3,808,460</u>	<u>7,853,761</u>	<u>11,662,221</u>	<u>9,315,542</u>
<u>\$ 5,515,253</u>	<u>\$ 10,769,245</u>	<u>\$ 16,284,498</u>	<u>\$ 11,662,221</u>

TOWN OF GEORGETOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2019	2018
ASSETS					
Cash and Investments	\$ 721,608	\$ 162,005	\$ 76,194	\$ 959,807	\$ 711,652
Property Taxes Receivable	214,164	-	-	214,164	166,515
Accounts Receivable	29,722	158,572	-	188,294	55,282
Due From Other Governments	167,480	59,265	-	226,745	155,096
TOTAL ASSETS	\$ 1,132,974	\$ 379,842	\$ 76,194	\$ 1,589,010	\$ 1,088,545
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 55,461	\$ 39,971	\$ 9,533	\$ 104,965	\$ 61,017
Retainage Payable	-	42,792	-	42,792	\$ -
Accrued Salaries and Benefits	27,245	-	-	27,245	10,927
TOTAL LIABILITIES	82,706	82,763	9,533	175,002	71,944
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	214,164	-	-	214,164	166,515
FUND EQUITY					
Fund Balance					
Restricted for Emergencies	175,000	-	-	175,000	100,000
Restricted for Parks and Recreation	-	-	26,447	26,447	20,241
Restricted for Town Promotions	-	-	40,214	40,214	59,545
Restricted for Capital Improvements	-	297,079	-	297,079	301,487
Committed	48,360	-	-	48,360	38,262
Unassigned	612,744	-	-	612,744	330,551
TOTAL FUND EQUITY	836,104	297,079	66,661	1,199,844	850,086
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
	\$ 1,132,974	\$ 379,842	\$ 76,194		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,528,076	3,205,407
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include net pension liability (\$33,723), compensated absences (\$33,788), capital leases payable (\$245,383), deferred outflows related to pensions \$135,741 and deferred inflows related to pensions (\$35,514).	(212,667)	(247,033)
Net position of governmental activities	<u>\$ 5,515,253</u>	<u>\$ 3,808,460</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2019	2018
REVENUES					
Taxes	\$ 1,303,856	\$ 216,073	\$ -	\$ 1,519,929	\$ 1,214,288
Licenses and Permits	161,669	-	-	161,669	140,909
Intergovernmental	186,770	1,023,178	6,157	1,216,105	336,879
Charges for Services	-	-	31,038	31,038	28,476
Donations	-	-	6,097	6,097	1,700
Court	70,741	-	-	70,741	65,656
Interest	15,521	339	49	15,909	6,243
Miscellaneous	67,278	-	-	67,278	102,299
TOTAL REVENUES	1,805,835	1,239,590	43,341	3,088,766	1,896,450
EXPENDITURES					
Current					
General Government	309,831	-	56,466	366,297	451,270
Public Safety	447,899	-	-	447,899	380,893
Public Works	495,793	-	-	495,793	426,011
Parks and Recreation	185,021	34,765	-	219,786	78,867
Capital Outlay	-	1,155,794	-	1,155,794	415,841
Debt Service					
Principal	-	47,958	-	47,958	55,123
Interest	-	5,481	-	5,481	8,926
TOTAL EXPENDITURES	1,438,544	1,243,998	56,466	2,739,008	1,816,931
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	367,291	(4,408)	(13,125)	349,758	79,519
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	-	-	-	-	136,898
Transfers Out	-	-	-	-	(2,535)
Transfers In	-	-	-	-	2,535
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	136,898
NET CHANGE IN FUND BALANCE	367,291	(4,408)	(13,125)	349,758	216,417
FUND BALANCE, Beginning	468,813	301,487	79,786	850,086	633,669
FUND BALANCE, Ending	\$ 836,104	\$ 297,079	\$ 66,661	\$ 1,199,844	\$ 850,086

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

TOWN OF GEORGETOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 349,758
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$1,489,716 exceeded depreciation expense (\$167,047) for the current period.	1,322,669
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payment on leases payable \$47,958, and the change in interest income \$2,536 for the year.	50,494
Deferred charges related to pensions are not recognized in the governmental funds. However, in the government-wide financial statements, these amounts are capitalized and amortized.	<u>(16,128)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,706,793</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUND TYPE

As of December 31, 2019

	WATER FUND	SEWER FUND	TOTALS	
			2019	2018
ASSETS				
Current Assets				
Cash and Investments	\$ 1,320,139	\$ 744,681	\$ 2,064,820	\$ 1,059,234
Accounts Receivable	71,843	56,414	128,257	262,647
Inventory	10,046	-	10,046	6,846
Total Current Assets	<u>1,402,028</u>	<u>801,095</u>	<u>2,203,123</u>	<u>1,328,727</u>
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	<u>7,444,723</u>	<u>5,906,770</u>	<u>13,351,493</u>	<u>11,808,664</u>
TOTAL ASSETS	<u>8,846,751</u>	<u>6,707,865</u>	<u>15,554,616</u>	<u>13,137,391</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	28,258	11,462	39,720	163,183
Accrued Expenses	2,712	2,712	5,424	4,452
Compensated Absences	2,591	2,592	5,183	5,906
Accrued Interest Payable	33,640	12,027	45,667	47,250
Current Portion of Long Term Debt	<u>112,152</u>	<u>233,399</u>	<u>345,551</u>	<u>357,627</u>
Total Current Liabilities	<u>179,353</u>	<u>262,192</u>	<u>441,545</u>	<u>578,418</u>
Noncurrent Liabilities				
Notes Payable	<u>2,062,086</u>	<u>2,281,740</u>	<u>4,343,826</u>	<u>4,705,212</u>
TOTAL LIABILITIES	<u>2,241,439</u>	<u>2,543,932</u>	<u>4,785,371</u>	<u>5,283,630</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	5,270,485	3,391,631	8,662,116	6,745,825
Restricted for Operation & Maintenance Reserve	167,000	139,000	306,000	306,000
Unreserved	<u>1,167,827</u>	<u>633,302</u>	<u>1,801,129</u>	<u>801,936</u>
TOTAL NET POSITION	<u>\$ 6,605,312</u>	<u>\$ 4,163,933</u>	<u>\$ 10,769,245</u>	<u>\$ 7,853,761</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2019

	WATER	SEWER	TOTALS	
	FUND	FUND	2019	2018
OPERATING REVENUES				
Charges for Services	\$ 968,691	\$ 680,699	\$ 1,649,390	\$ 1,590,219
Other Revenues	994,520	1,282,528	2,277,048	196,574
TOTAL OPERATING REVENUES	1,963,211	1,963,227	3,926,438	1,786,793
OPERATING EXPENSES				
Salaries and Benefits	225,939	223,862	449,801	392,695
Professional Services	17,597	6,041	23,638	24,078
Repairs and Maintenance	52,360	130,812	183,172	428,850
Administrative and General	168,090	90,200	258,290	133,258
Miscellaneous	-	2,530	2,530	2,424
Depreciation	224,422	267,513	491,935	512,496
TOTAL OPERATING EXPENSES	688,408	720,958	1,409,366	1,493,801
OPERATING INCOME (LOSS)	1,274,803	1,242,269	2,517,072	292,992
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	99,357	114,388	213,745	1,023,419
Interest Expenses	(40,806)	(24,527)	(65,333)	(213,486)
TOTAL NON-OPERATING REVENUES (EXPENSES)	58,551	89,861	148,412	809,933
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	1,333,354	1,332,130	2,665,484	1,102,925
Capital Contributions	250,000	-	250,000	679,672
NET INCOME	1,583,354	1,332,130	2,915,484	1,782,597
NET POSITION, Beginning	5,021,958	2,831,803	7,853,761	6,071,164
NET POSITION, Ending	\$ 6,605,312	\$ 4,163,933	\$ 10,769,245	\$ 7,853,761

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE

Year Ended December 31, 2019

Increase (Decrease) in Cash and Cash Equivalents

	WATER	SEWER	TOTALS	
	FUND	FUND	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,045,003	\$ 2,015,825	\$ 4,060,828	\$ 1,651,616
Cash Paid to Suppliers	(318,327)	(275,966)	(594,293)	(491,470)
Cash Paid to Employees	(225,815)	(223,737)	(449,552)	(393,519)
Net Cash Provided by Operating Activities	<u>1,500,861</u>	<u>1,516,122</u>	<u>3,016,983</u>	<u>766,627</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(1,021,741)	(1,013,023)	(2,034,764)	(1,992,635)
Grants	99,357	114,388	213,745	1,023,419
Note Payments	(141,954)	(231,508)	(373,462)	(338,867)
Loan Proceeds	-	-	-	157,025
Interest Payments	(41,455)	(25,461)	(66,916)	(181,889)
Capital Contributions	250,000	-	250,000	679,672
Net Cash Used by Capital and Related Financing Activities	<u>(855,793)</u>	<u>(1,155,604)</u>	<u>(2,011,397)</u>	<u>(653,275)</u>
Net Decrease in Cash and Cash Equivalents	645,068	360,518	1,005,586	113,352
CASH AND CASH EQUIVALENTS, Beginning	<u>675,071</u>	<u>384,163</u>	<u>1,059,234</u>	<u>945,882</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,320,139</u>	<u>\$ 744,681</u>	<u>\$ 2,064,820</u>	<u>\$ 1,059,234</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ 1,274,803</u>	<u>\$ 1,242,269</u>	<u>\$ 2,517,072</u>	<u>\$ 292,992</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	224,422	267,513	491,935	512,496
Changes in Assets and Liabilities				
Accounts Receivable	81,792	52,598	134,390	(131,182)
Inventories	(3,200)	-	(3,200)	(3,995)
Accounts Payable	(77,080)	(46,383)	(123,463)	97,140
Accrued Expenses	486	486	972	1,636
Accrued Compensated Absences	(362)	(361)	(723)	(2,460)
Total Adjustments	<u>226,058</u>	<u>273,853</u>	<u>499,911</u>	<u>473,635</u>
Net Cash Provided by Operating Activities	<u>\$ 1,500,861</u>	<u>\$ 1,516,122</u>	<u>\$ 3,016,983</u>	<u>\$ 766,627</u>

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Georgetown, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary 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 and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions 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*.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods regarding a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

In the fund financial statements, the Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *Sales Tax Fund* accounts for an allocation of sales tax revenues approved by voters to provide funding for capital improvement projects.

The Town also reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Sewer Fund* accounts for the financial activities associated with the provision of water services.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 - 40 years
Infrastructure	15 - 75 years
Machinery and Equipment	3 - 10 years

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees of the Town are allowed to accumulate unused paid time off (“PTO”). Upon termination of employment from the Town, an employee will be compensated for a maximum of 1 ½ times the annual PTO accrual rate.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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 debt service expenditures.

Deferred Outflows/Inflows of Resources

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted. Investment in capital assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position are liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third-party limitations on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Town does not report any amounts as nonspendable as of December 31, 2019.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Sales Tax Fund as restricted because its use is restricted by taxpayer initiative, the Town Promotion Fund as restricted as the revenues are restricted by the Business Promotion Commission, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Selectman. These amounts cannot be used for any other purpose unless the Board of Selectman removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town has classified as committed, funds allocated for the preservation and repair of its historic structures.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Equity (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the Town staff submits to the Board of Selectmen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

Budgets and Budgetary Accounting (Continued)

- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Selectmen.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Selectmen. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2019 follows:

Cash Deposits	\$ 899,566
Investments	<u>2,125,061</u>
Total	<u>\$ 3,024,627</u>

The above amounts are classified in the statement of net position as follows:

Governmental Activities	\$ 959,807
Business –Type Activities	<u>2,064,820</u>
Total	<u>\$ 3,024,627</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2019, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories.

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2019, the Town had deposits with financial institutions with a carrying amount of \$899,566. The bank balances with the financial institutions were \$1,158,809. Of these balances \$500,000 was covered by federal depository insurance and \$658,809 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

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

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk (Continued)

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The Town had invested \$97,620 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

The Town had invested \$2,027,441 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2019 is summarized below:

	Balances <u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/19</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,068,744	\$ -	\$ -	\$ 1,068,744
Construction in Progress	<u>252,007</u>	<u>1,317,646</u>	<u>-</u>	<u>1,569,653</u>
Total Capital Assets, not depreciated	<u>1,320,751</u>	<u>1,317,646</u>	<u>-</u>	<u>2,638,397</u>
Capital Assets, depreciated				
Buildings and Improvements	855,013	71,038	-	926,051
Infrastructure	2,583,489	-	-	2,583,489
Machinery and Equipment	<u>648,562</u>	<u>101,032</u>	<u>60,258</u>	<u>689,336</u>
Total Capital Assets, depreciated	<u>4,087,064</u>	<u>172,070</u>	<u>60,258</u>	<u>4,198,876</u>
Less Accumulated Depreciation				
Buildings and Improvements	252,427	13,223	-	265,650
Infrastructure	1,523,162	81,527	-	1,604,689
Machinery and Equipment	<u>426,819</u>	<u>72,297</u>	<u>60,258</u>	<u>438,858</u>
Total Accumulated Depreciation	<u>2,202,408</u>	<u>167,047</u>	<u>60,258</u>	<u>2,309,197</u>
Total Capital Assets, depreciated, Net	<u>1,884,656</u>	<u>(5,023)</u>	<u>-</u>	<u>1,889,679</u>
Governmental Activities, Capital Assets, Net	<u>\$ 3,205,407</u>	<u>\$ 1,322,669</u>	<u>\$ -</u>	<u>\$ 4,528,076</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities	
Public Works	\$ 98,147
Parks and Recreation	<u>68,900</u>
Total	<u>\$ 167,047</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/19</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in Progress	<u>1,992,635</u>	<u>-</u>	<u>1,992,635</u>	<u>-</u>
Total Capital Assets, not depreciated	<u>2,000,135</u>	<u>-</u>	<u>1,992,635</u>	<u>7,500</u>
Capital Assets, depreciated				
Buildings and Improvements	6,536,922	3,620,716	-	10,157,638
Collection and Distribution	5,819,839	285,703	-	6,105,542
Dam Outlet	1,736,510	-	-	1,736,510
Machinery and Equipment	<u>205,125</u>	<u>12,849</u>	<u>-</u>	<u>217,974</u>
Total Capital Assets, depreciated	<u>14,298,396</u>	<u>3,919,268</u>	<u>-</u>	<u>18,225,164</u>
Less: Accumulated Depreciation				
Buildings and Improvements	1,776,669	116,504	-	1,893,173
Collection and Distribution	2,510,284	259,406	-	2,769,690
Dam Outlet	23,153	-	-	23,153
Machinery and Equipment	<u>179,761</u>	<u>7,894</u>	<u>-</u>	<u>187,655</u>
Total Accumulated Depreciation	<u>4,489,867</u>	<u>383,804</u>	<u>-</u>	<u>4,873,671</u>
Total Capital Assets, depreciated, Net	<u>9,808,529</u>	<u>3,535,464</u>	<u>-</u>	<u>13,343,993</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 11,808,664</u>	<u>\$ 3,535,464</u>	<u>\$ 1,992,635</u>	<u>\$ 13,351,493</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Business-type Activities

Water Fund	\$ 224,421
Sewer Fund	<u>159,383</u>
Total	<u>\$ 383,804</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due In</u> <u>One Year</u>
Capital Leases	\$ 295,877	\$ -	\$ 50,494	\$ 245,383	\$ 44,052
Accrued Compensated Absences	<u>33,788</u>	<u>-</u>	<u>-</u>	<u>33,788</u>	<u>-</u>
Totals	<u>\$ 329,665</u>	<u>\$ 139,853</u>	<u>\$ 50,494</u>	<u>\$ 279,171</u>	<u>\$ 44,052</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Capital Leases

In 2012, the Town has entered into a capital lease agreement to for a parking lot which will be paid from revenues of the Sales Tax Capital Improvement Fund. Lots 1 and 18 were released to the Town in 2014. The lease requires quarterly payments of \$3,503 and accrues interest at 3.6 %. The lease matures in August of 2032.

In 2015, the Town has entered into a capital lease agreement for equipment which will be paid from revenues of the Sales Tax Capital Improvement Fund. The lease requires semi-annual payments of \$4,535 and accrues interest at 2.6%. The lease matures in 2019.

In 2017, the Town entered into a capital and operating lease agreement for IT equipment and IT support and services which will be paid from revenues of the Sales Tax Capital Improvement Fund. The lease requires monthly payments of \$2,537, approximately \$884 of this amount will be applied to the equipment purchase and \$1,653 to be applied to the operating portion of the lease. The capital lease component accrues interest at approximately 8.75%. The lease matures in February 2022.

In 2018, the Town has entered into a capital lease agreement for police vehicles which will be paid from revenues of the Sales Tax Capital Improvement Fund. The lease requires annual payments of \$30,360 and accrues interest at 5.45%. The lease matures in February of 2022.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligations at December 31, 2019:

Year Ended December 31,

2020	\$ 54,979
2021	54,979
2022	45,254
2023	14,010
2024	14,010
Thereafter	<u>110,353</u>
Total Minimum Lease Payments	293,584
Less: Interest	<u>(48,201)</u>
Present Value of Minimum Lease Payments	<u>\$ 245,383</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019.

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due In</u> <u>One Year</u>
1999 CWCB Loan	\$ 73,751	\$ -	\$ 9,308	\$ 64,443	\$ 8,842
2009 CWRPDA Loan, Drinking Water	770,500	-	67,000	703,500	67,000
2009 CWRPDA Loan, Wastewater Facility	2,185,000	-	190,000	1,995,000	190,000
2011 CWRPDA Loan, Drinking Water	505,918	-	33,263	472,655	36,310
2012 CWCB Dam Loan	966,023	-	32,383	933,640	-
2014 Ground Lease	561,647	-	41,509	520,138	43,399
Compensated Absences	<u>5,906</u>	<u>-</u>	<u>722</u>	<u>5,184</u>	<u>-</u>
Total	<u>\$ 5,068,745</u>	<u>\$ -</u>	<u>\$ 374,185</u>	<u>\$ 4,694,560</u>	<u>\$ 345,551</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

1999 Colorado Water Conservancy Board (CWCB)

In July 1999, the Town entered into a loan agreement with the Colorado Water Conservancy Board. Proceeds were used to acquire water rights. Principal and interest payments in the amount of \$12,714 are due annually on December 28, through 2027. Interest accrues at 5.25%.

2009 Colorado Water Resources and Power Development Authority (CWRPDA) Loan – Drinking Water

In September 2009, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan/grant are used to improve the Town’s water treatment facility and the West Water Tank. Under the terms of the agreement, the Town received a combination of loan and grant funds totaling \$3,340,000. \$2,000,000 of the proceeds were forgiven at loan closing and do not require repayment by the Town. The loan carries no interest. Semi-annual principal payments in the amount of \$33,500 are due on November 1, and May 1, beginning in 2010 and ending in 2030. The loan has a rate covenant requirement that states that gross revenues must cover one year’s estimated operating and maintenance expense plus 110% of the year’s anticipated debt service payments. The Water Fund appears to be in compliance with this covenant requirement.

2009 Colorado Water Resources and Power Development Authority (CWRPDA) Loan – Waste Water Facility

In September 2009, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan/grant are used to improve the Town’s wastewater treatment facility. Under the terms of the agreement, the Town received a combination of loan and grant funds totaling \$5,800,000. \$2,000,000 of the proceeds were forgiven at loan closing and do not require repayment by the Town. At December 31, 2011, loan proceeds in the amount of \$3,131,003 were drawn by the town. The loan carries no interest. Semi-annual principal payments in the amount of \$95,000 are due on November 1, and May 1, beginning in 2010 and ending in 2030. The loan has a rate covenant requirement that states that gross revenues must cover one year’s estimated operating and maintenance expense plus 110% of the year’s anticipated debt service payments. The Sewer fund appears to be in compliance with this covenant requirement.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

2011 Colorado Water Resources and Power Development Authority (CWRPDA) Loan – Drinking Water Revolving Fund

In May 2011, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan are used for the Town’s water resource project. Under the terms of the agreement, the Town received a loan totaling \$900,000. The loan carries interest at 2%. Semi-annual principal and interest payments in the amount of \$22,194 are due on May 1 and November 1, beginning in 2012 and ending in 2031. The Town has pledged current Net Revenues to the repayment of this loan.

The loan has a rate covenant requirement that states that gross revenues must cover one year’s estimated operating and maintenance expense plus 110% of the year’s anticipated debt service payments. The Water Fund appears to be in compliance with this covenant requirement.

2012 Colorado Water Conservancy Board (CWCB)

In March of 2012, the Town entered into a loan agreement with the Colorado Water Conservancy Board. Proceeds are used to fund the Town’s dam project. In 2018, this project was deemed to be substantially completed and annual payments of principal and interest in the amount of \$59,306 are scheduled to begin on April 1, 2019. The final loan amount is \$966,023. Interest accrues at 4.50%.

Future Debt Service Requirements

Estimated annual debt service requirements for the outstanding loans at December 31, 2017 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 318,732	\$ 54,676	\$ 373,408
2020	319,926	52,703	372,630
2021	321,939	50,656	372,595
2022	324,029	48,524	372,553
2023	327,085	46,323	373,408
Thereafter	<u>2,901,192</u>	<u>594,183</u>	<u>3,151,709</u>
Total Debt Service Requirements	<u>\$ 4,169,238</u>	<u>\$ 847,064</u>	<u>\$ 5,016,302</u>

Capital Leases

The Town has entered into a capital lease agreement to a biosolids dewatering unit which will be paid from revenues of the Sewer Fund. The lease semi-annual payments of \$33,485 and accrues interest at 4.50%. The lease matures in July of 2029.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2018:

Year Ended December 31,

2020	\$ 66,970
2021	66,970
2022	66,971
2023	66,971
2024	66,971
Thereafter	<u>401,826</u>
Total Minimum Lease Payments	669,709
Less: Interest	<u>(149,571)</u>
Present Value of Minimum Lease Payments	<u>\$ 520,138</u>

NOTE 6: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The Town contributes to the Statewide Defined Benefit Pension Plan (“SWDB Plan”), a cost-sharing multiple employer defined benefit pension plan, which is administered by the FPPA. 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 SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with a least five years of accredited service may leave contributions with the SWDP Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Members of the SWDB Plan and their employers are contributing at the rate of 10.00 percent and 8 percent, respectively, of base salary for a total contribution rate of 18.00 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 21.5 percent of base salary in 2017. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 5.00 and 4 percent, respectively, of base salary for a total contribution rate of 9.00 percent in 2017. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2019 the Town reported a net pension liability in the amount of \$33,723 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2018 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2018, the Town's proportion was 0.0267%, which was a decrease of 0.0046% from its proportion measured as of December 31, 2017.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2018 the Town recognized pension income of \$20,291. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$48,517	\$462
Net difference between projected and actual earnings on pension plan investments	\$30,722	\$27,177
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$10,019	\$7,875
Change in assumptions and other inputs	\$32,232	N/A
Contributions subsequent to the measurement date	\$14,251	N/A
Total	\$135,741	\$35,514

\$14,251 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2020	\$13,611
2021	\$9,209
2022	\$6,565
2023	\$15,624
2024	\$10,414
Thereafter	\$30,553

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions. The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2019
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2018
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Illiquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment) to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate, based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$130,773	\$33,723	(\$46,778)

Pension plan fiduciary net position. Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 7: DEFINED CONTRIBUTION PLANS

Defined Contribution Plan

The Town offers all employees except for police officers who are covered under FPPA a defined contribution pension plan, which is administered by the Colorado County Officials and Employees Retirement Association (CCOERA). Employee participation is mandatory and commences after one year of employment. Both the Town and employees contribute an amount equal to 3.00% of compensation. During the years ended December 31, 2019 and December 31, 2018, the Town contributions to the plan were \$11,428 and \$11,270, respectively equal to the required contribution.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Town employees and permits them to defer a portion of their salary until future years. The Town does not match employee contributions. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 8: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. Commercial insurance coverage is purchased to handle these risks of loss. Settled claims have not exceeded coverage in the last three years.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Wastewater Service Agreement

During 2011 the Town entered into a wastewater service agreement with the Town of Silver Plume to process Silver Plume's wastewater through the Town's facility. This agreement was intended to replace and supersede the 1986 and 2005 agreements. Under the terms of the agreement, both Towns contribute annually determined amounts to an Operating and Maintenance Reserve, a Capital Reserve and an Emergency Reserve. These funds are held by the Town of Georgetown and require approval by a Joint Water Commission Board prior to expenditure. As of December 31, 2017, these reserves are not fully funded. During 2014, the Town contributed \$36,440 to the Sewer Equipment Reserve and \$36,440 to the Sewer Long Term Capital Reserve. During 2019, the Town of Silver Plume paid the Town of Georgetown \$114,388 for wastewater treatment services under the terms of the contract.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Wastewater Sludge Dewatering System

In September 2009, the Town entered into an intergovernmental agreement with the City of Idaho Springs and the Town of Morrison for the purchase of a wastewater sludge dewatering system. Under the terms of the agreement, the parties agreed to acquire the system and share ownership, use, operation, and maintenance costs equally. In addition, the Town of Morrison has applied and received grant funding to help offset the cost of the purchase of the equipment. The Town's share of the grant funds in the amount of \$67,000 was received during 2010.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1996, voters within the Town approved the collection, retention and expenditure of the all revenues generated by the Town in 1996 and subsequent years, notwithstanding the provisions of the Amendment. The Town believes it is in substantial compliance with the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of \$175,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 10: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 29, 2020. It was determined that the following event is required to be disclosed through this date.

Covid-19

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the Town. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GEORGETOWN, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019			VARIANCE	2018
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Taxes	\$ 1,171,830	\$ 1,171,830	\$ 1,303,856	\$ 132,026	\$ 1,013,070
Licenses and Permits	201,625	204,125	161,669	(42,456)	140,909
Intergovernmental	164,925	194,436	186,770	(7,666)	162,946
Court	72,925	72,925	70,741	(2,184)	65,656
Interest	5,050	5,050	15,521	10,471	5,788
Miscellaneous	18,000	30,623	67,278	36,655	102,190
TOTAL REVENUES	<u>1,634,355</u>	<u>1,678,989</u>	<u>1,805,835</u>	<u>126,846</u>	<u>1,490,559</u>
EXPENDITURES					
Current					
General Government	315,141	341,364	309,831	31,533	393,118
Public Safety	422,479	440,890	447,899	(7,009)	380,893
Public Works	642,089	642,089	495,793	146,296	426,011
Parks and Recreation	203,956	283,222	185,021	98,201	78,867
TOTAL EXPENDITURES	<u>1,583,665</u>	<u>1,707,565</u>	<u>1,438,544</u>	<u>269,021</u>	<u>1,278,889</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>50,690</u>	<u>(28,576)</u>	<u>367,291</u>	<u>395,867</u>	<u>211,670</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(2,535)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,535)</u>
NET CHANGE IN FUND BALANCE	50,690	(28,576)	367,291	395,867	209,135
FUND BALANCE, Beginning	<u>370,268</u>	<u>370,268</u>	<u>468,813</u>	<u>98,545</u>	<u>259,678</u>
FUND BALANCE, Ending	<u>\$ 420,958</u>	<u>\$ 341,692</u>	<u>\$ 836,104</u>	<u>\$ 494,412</u>	<u>\$ 468,813</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.0425%	0.0418%	0.0272%	0.0344%	0.0313%	0.0267%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (37,986)	\$ (47,193)	\$ (480)	\$ (12,412)	\$ (45,059)	\$ 33,723
Town's covered payroll	\$ 273,302	\$ 188,050	\$ 170,824	\$ 175,115	\$ 169,989	\$ 178,138
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-13.9%	-25.1%	-0.28%	-7.09%	-26.51%	18.93%
Plan fiduciary net position as a percentage of the total pension liability	105.8%	105.8%	100.10%	98.21%	106.34%	95.23%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorily required contributions	\$ 14,761	\$ 15,044	\$ 11,121	\$ 13,666	\$ 14,009	\$ 13,599	\$ 14,251
Contributions in relation to the Statutorily required contributions	<u>14,761</u>	<u>15,044</u>	<u>11,121</u>	<u>13,666</u>	<u>14,009</u>	<u>13,599</u>	<u>14,251</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 184,516	\$ 188,050	\$ 139,007	\$ 170,824	\$ 175,115	\$ 169,989	\$ 178,138
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

As of December 31, 2019

	CONSERVATION	TOWN	TOTALS	
	TRUST FUND	PROMOTION FUND	2019	2018
ASSETS				
Current Assets				
Cash and Investments	\$ 26,447	\$ 49,747	\$ 76,194	\$ 80,053
TOTAL ASSETS	<u>\$ 26,447</u>	<u>\$ 49,747</u>	<u>\$ 76,194</u>	<u>\$ 80,053</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 9,533	\$ 9,533	\$ 267
TOTAL LIABILITIES	<u>-</u>	<u>9,533</u>	<u>9,533</u>	<u>267</u>
FUND EQUITY				
Restricted	26,447	40,214	66,661	79,786
TOTAL FUND EQUITY	<u>26,447</u>	<u>40,214</u>	<u>66,661</u>	<u>79,786</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 26,447</u>	<u>\$ 49,747</u>	<u>\$ 76,194</u>	<u>\$ 80,053</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2019

	CONSERVATION	TOWN	TOTALS	
	TRUST FUND	PROMOTION FUND	2019	2018
REVENUES				
Intergovernmental	\$ 6,157	\$ -	\$ 6,157	\$ 5,371
Charges for Services	-	31,038	31,038	28,476
Interest	49	-	49	32
Donations	-	6,097	6,097	1,700
TOTAL REVENUES	6,206	37,135	43,341	35,579
EXPENDITURES				
General Government	-	56,466	56,466	32,236
TOTAL EXPENDITURES	-	56,466	56,466	32,236
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,206	(19,331)	(13,125)	3,343
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Transfers In	-	-	-	2,535
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	2,535
NET CHANGE IN FUND BALANCE	6,206	(19,331)	(13,125)	5,878
FUND BALANCE, Beginning	20,241	59,545	79,786	73,908
FUND BALANCE, Ending	\$ 26,447	\$ 40,214	\$ 66,661	\$ 79,786

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Lottery Revenues	\$ 5,400	\$ 6,157	\$ 757	\$ 5,371
Interest	21	49	28	32
TOTAL REVENUES	<u>5,421</u>	<u>6,206</u>	<u>785</u>	<u>5,403</u>
EXPENDITURES				
Parks and Recreation	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,421	6,206	785	5,403
FUND BALANCE, Beginning	<u>20,160</u>	<u>20,241</u>	<u>81</u>	<u>14,838</u>
FUND BALANCE, Ending	<u>\$ 25,581</u>	<u>\$ 26,447</u>	<u>\$ 866</u>	<u>\$ 20,241</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

TOWN PROMOTION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 26,845	\$ 31,038	\$ 4,193	\$ 28,476
Donations	1,000	6,097	5,097	1,700
TOTAL REVENUES	<u>27,845</u>	<u>37,135</u>	<u>9,290</u>	<u>30,176</u>
EXPENDITURES				
Current				
General Government				
Professional Services	42,000	40,114	1,886	19,948
General and Administrative	16,336	16,352	(16)	12,288
TOTAL EXPENDITURES	<u>58,336</u>	<u>56,466</u>	<u>1,870</u>	<u>32,236</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,491)</u>	<u>(19,331)</u>	<u>11,160</u>	<u>(2,060)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,250	-	(2,250)	2,535
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,250</u>	<u>-</u>	<u>(2,250)</u>	<u>2,535</u>
NET CHANGE IN FUND BALANCE	(28,241)	(19,331)	8,910	475
FUND BALANCE, Beginning	<u>56,552</u>	<u>59,545</u>	<u>2,993</u>	<u>59,070</u>
FUND BALANCE, Ending	<u>\$ 28,311</u>	<u>\$ 40,214</u>	<u>\$ 11,903</u>	<u>\$ 59,545</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			VARIANCE	2018
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Sales Tax	\$ 201,771	\$ 227,773	\$ 216,073	\$ (11,700)	\$ 201,218
Intergovernmental	1,024,700	1,024,700	1,023,178	(1,522)	168,562
Interest	321	321	339	18	423
Miscellaneous	-	-	-	-	109
TOTAL REVENUES	1,226,792	1,252,794	1,239,590	(13,204)	370,312
EXPENDITURES					
Current					
General Government					
Parks and Recreation	8,500	8,500	34,765	(26,265)	25,916
General and Administrative				-	-
Capital Outlay	1,173,200	1,242,102	1,155,794	86,308	415,841
Debt Service					
Principal	17,599	17,599	47,958	(30,359)	55,123
Interest	5,481	5,481	5,481	-	8,926
TOTAL EXPENDITURES	1,204,780	1,273,682	1,243,998	29,684	505,806
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	22,012	(20,888)	(4,408)	16,480	(135,494)
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	-	-	-	-	136,898
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	136,898
NET CHANGE IN FUND BALANCE	22,012	(20,888)	(4,408)	16,480	1,404
FUND BALANCE, Beginning	357,826	357,826	301,487	(56,339)	300,083
FUND BALANCE, Ending	\$ 379,838	\$ 336,938	\$ 297,079	\$ (39,859)	\$ 301,487

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			VARIANCE	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Charges for Services	\$ 895,999	\$ 895,999	\$ 968,691	\$ 72,692	\$ 931,435
Intergovernmental	1,200	1,200	99,357	98,157	914,594
Development Fees	1,901,218	1,901,218	982,626	(918,592)	74,729
Capital Contribution	-	-	250,000	250,000	679,672
Other Revenues	2,390	2,390	11,894	9,504	9,896
TOTAL REVENUES	2,800,807	2,800,807	2,312,568	(488,239)	2,610,326
EXPENDITURES					
Salaries and Benefits	282,842	282,842	225,939	56,903	196,984
Professional Services	51,965	51,965	17,597	34,368	15,266
Repairs and Maintenance	282,500	282,500	52,360	230,140	69,972
Administration and General	77,320	77,320	168,090	(90,770)	59,873
Miscellaneous	126,119	126,119	-	126,119	2,424
Capital Outlay	1,907,218	1,207,218	1,021,741	185,477	2,100,219
Debt Service					
Principal	-	-	41,455	(41,455)	109,164
Interest	57,291	57,291	40,806	16,485	187,097
TOTAL EXPENDITURES	2,785,255	2,085,255	1,567,988	517,267	2,740,999
NET INCOME, Budget Basis	\$ 15,552	\$ 715,552	744,580	\$ 29,028	(130,673)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			1,021,741		1,917,836
Depreciation			(224,422)		(244,983)
Principal Paid on Long-Term Debt			41,455		109,164
NET INCOME, GAAP Basis			1,583,354		1,651,344
NET POSITION, Beginning			5,021,958		3,370,614
NET POSITION, Ending			\$ 6,605,312		\$ 5,021,958

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SEWER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019			VARIANCE	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Charges for Services	\$ 707,049	\$ 707,049	\$ 680,699	\$ (26,350)	\$ 658,784
Intergovernmental	114,964	114,964	114,388	(576)	108,825
Development Fees	429,750	429,750	1,260,023	830,273	81,200
Capital Contribution				-	-
Other Revenues	5,000	5,000	22,505	17,505	30,749
TOTAL REVENUES	<u>1,256,763</u>	<u>1,256,763</u>	<u>2,077,615</u>	<u>820,852</u>	<u>879,558</u>
EXPENDITURES					
Salaries and Benefits	222,842	222,842	223,862	(1,020)	195,711
Professional Services	17,400	17,400	6,041	11,359	8,812
Repairs and Maintenance	166,500	166,500	130,812	35,688	176,495
Administration and General	165,610	165,610	90,200	75,410	73,385
Miscellaneous	1,200	1,200	2,530	(1,330)	-
Capital Outlay	420,550	1,120,550	1,013,023	107,527	74,799
Debt Service					
Principal	231,510	231,510	231,508	2	229,703
Interest	25,461	25,461	24,527	934	26,389
TOTAL EXPENDITURES	<u>1,251,073</u>	<u>1,951,073</u>	<u>1,722,503</u>	<u>228,570</u>	<u>785,294</u>
NET INCOME, Budget Basis	<u>\$ 5,690</u>	<u>\$ (694,310)</u>	355,112	<u>\$ 1,049,422</u>	94,264
GAAP BASIS ADJUSTMENTS					
Capital Outlay			1,013,023		74,799
Depreciation			(267,513)		(267,513)
Principal Paid on Long-Term Debt			231,508		229,703
NET INCOME, GAAP Basis			1,332,130		131,253
NET POSITION, Beginning			<u>2,831,803</u>		<u>2,700,550</u>
NET POSITION, Ending			<u>\$ 4,163,933</u>		<u>\$ 2,831,803</u>

See the accompanying independent auditors' report.

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT	City or County: GEORGETOWN
This Information From The Records Of (example - City of _ or County of _) TOWN OF GEORGETOWN	Prepared By: Phone: MARY SIMS 303-569-2555 X4
YEAR ENDING : December 2019	

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)	965,272
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	96,557
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	4,956
2. General fund appropriations	123,429	b. Snow and ice removal	6,561
3. Other local imposts (from page 2)	332,431	c. Other	
4. Miscellaneous local receipts (from page 2)	70,741	d. Total (a. through c.)	11,517
5. Transfers from toll facilities		4. General administration & miscellaneous	214,217
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	165,005
a. Bonds - Original Issues		6. Total (1 through 5)	1,452,568
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	526,601	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	925,967	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	1,452,568	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)	1,452,568

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,452,568	1,452,568	0	0

Notes and Comments:
UNAUDITED 2019 FIGURES

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2019

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	55,765	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	70,741
1. Sales Taxes	260,117	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	16,549	g. Other Misc. Receipts	
6. Total (1. through 5.)	276,666	h. Other	
c. Total (a. + b.)	332,431	i. Total (a. through h.)	70,741
	(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	61,232	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	5,696	d. Federal Transit Admin	
d. Other (Specify) - DOLA GRANT	388,431	e. U.S. Corps of Engineers	
e. Other (Specify) TAP GRANT	470,609	f. Other Federal	
f. Total (a. through e.)	864,736	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	925,967	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		965,272	965,272
(5). Total Construction (1) + (2) + (3) + (4)	0	965,272	965,272
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	965,272	965,272
			(Carry forward to page 1)

Notes and Comments: