

TOWN OF GYPSUM, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2019

TOWN OF GYPSUM, COLORADO
FOR THE YEAR ENDED
December 31, 2019

TOWN COUNCIL

Steve Carver	—	Mayor
Tom Edwards	—	Mayor Pro-Tem
Chris Estes	—	Council Member
Pam Schultz	—	Council Member
Marisa Sato	—	Council Member
Chris Huffman	—	Council member
Bill Baxter	—	Council Member

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The Honorable Mayor and Members
of the Town Council
Gypsum, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, as well as each fiduciary fund type of the Town of Gypsum, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Gypsum's basic financial statements 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's 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 of 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 expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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 each fiduciary fund type of the Town of Gypsum as of December 31, 2019 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity 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 management's discussion and analysis and budgetary comparison information, listed as required supplementary information 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 accounting standards generally accepted in the United States of America, which consisted of inquiries of management regarding 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gypsum's basic financial statements. The combining and individual fund financial statements and schedules, and the County, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets, which are listed as Other Supplemental Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements are 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 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, these statements are fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Maggard & Hood, P.C." in a cursive, slightly slanted script.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
July 29, 2020

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Gypsum was organized in 1911, under provisions of Colorado State Statutes. The provisions of its home rule charter that was adopted in 1982 currently govern the town. The Town operates under a Council-Mayoral form of government and provides the following services: general and administrative services, planning and zoning, building inspection, capital improvements, streets and alleys, parks and recreation, golf course operations, trash removal, and water and sewer systems. An elected Mayor and Town Council govern the Town and are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes.

The discussion and analysis of the Town of Gypsum's financial performance provides an overall review of the Town's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2019 are as follows:

- In total, the Town's *overall* net position increased \$1,408,631 or 1.1% from the previous fiscal year.
- The Town's Governmental Activities General Revenues accounted for \$8,751,201 or 78% of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$2,478,097 or 22% of the Town's total revenues of \$11,229,298.
- Governmental Activities for the Town had \$11,350,773 in expenses, of which \$1,890,871 were offset by program specific charges for services and sales, \$487,672 by operating grants and capital grants and contributions totaling \$99,554.
- In the Town's business-type (utility enterprise) activities, fiscal year revenues exceeded expenses by \$1,618,106 thus increasing the activity's net position to \$54,083,850.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other supplementary information*. These statements are organized so the reader can understand the Town of Gypsum as a financial whole, or as an entire operating activity. The basic financial statements include two types of information on the same statement that present different views of the Town.

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the readers understanding of the report.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The bases of accounting take into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the Town. These financial statements are constructed around the concept of a primary government, the Town, except for fiduciary funds. The statement of net position and statement of activities provide information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those finances.

The statement of net position and the statement of activities report the Town's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the Town has improved or diminished for the Town as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Town's property tax base, current property tax laws, statutorily required reserves, facility conditions, and other factors.

In the statement of net position and the statement of activities, the Town is divided into two distinct kinds of activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the Town's programs and services are reported here including general government activities, community development, public safety, streets and public works, culture and recreation, as well as debt service charges.

Business-Type Activities – Business-type activities are financed by some degree by charging external parties for the goods or services they acquire. The Town's enterprise funds for water, sewer and sanitation utilities are reported as business-type activities as the service is provided on a charge for goods or services basis to recover the expenses of the goods and services provided.

FUND FINANCIAL STATEMENTS

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about each of the Town's major funds. For the Town of Gypsum, the General Fund is the most significant fund. The Town uses many funds to account for a multitude of financial transactions. The Town's major governmental funds include the General Fund and Special Revenue Funds (which are the Conservation Trust Fund, Parks and Recreation Fund and Highway 6 Devolution Fund). The Town's proprietary, or enterprise, funds include the Water Fund, the Sewer Fund and the Sanitation Fund. The remaining fiduciary (Agency Fund) statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the reporting entity. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

FUND FINANCIAL STATEMENTS -- CONTINUED

The Town's fund financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and, (3) fiduciary funds.

Governmental Funds – The Town's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the Town's programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements. The Town maintains the following governmental funds:

General Fund – used to account for resources traditionally associated with government which are not required legally or by sound financial management to be account for in another fund.

Special Revenue Funds – used to account for proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. The special revenue funds include the following:

Conservation Trust Fund – accounts for funds received and restricted as to use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes.

Parks and Recreation Fund – accounts for funds used for expenditure for parks and recreation, including the Town's golf course, as well as sales tax revenue restricted to debt service related to the construction of the Recreation Center.

Highway 6 Devolution Fund – accounts for funds restricted in use for expenditure for maintenance of 5.7 miles of Highway 6 located within the Town's limits.

Proprietary Funds – The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same. These funds are established to account for operations that are financed and operated in a manner similar to private enterprise, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The proprietary (enterprise) funds include the following:

Water Fund – accounts for activities related to water services to the citizens of the Town.

Sewer Fund – accounts for activities related to the sewage treatment facilities and transmission lines.

Sanitation Fund – accounts for activities related to trash collection and disposal.

Fiduciary Funds – Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and funds. The fiduciary funds include the following.

Agency Funds – The agency fund accounts for monies maintained by the Town on behalf of the Gypsum Recreation Center Capital Committee. The committee is made up of members from the Town of Gypsum and the Mountain Recreation District, but is fiscally independent of these two governmental entities. The monies are used for ongoing capital maintenance and improvement of the Gypsum Recreation Center as approved by the committee.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

THE TOWN AS A WHOLE

The perspective of the statement of net position is of the Town as a whole. Following is a summary of the Town's net position for the current and prior fiscal year.

(In Thousands)	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>ASSETS:</u>						
Current and Other Assets	\$ 6,954	\$ 6,804	\$ 8,114	\$ 7,248	\$ 15,068	\$ 14,052
Other Non-Current Assets	10,652	-	179	186	10,831	186
Restricted Cash	-	10,431	352	352	352	10,783
Capital Assets, Net	54,323	54,569	49,702	49,550	104,025	104,119
Deferred Outflows of Resources	-	-	2	7	2	7
Total Assets – Deferred Outflows	<u>71,929</u>	<u>71,804</u>	<u>58,349</u>	<u>57,343</u>	<u>130,278</u>	<u>129,147</u>
<u>LIABILITIES:</u>						
Current & Other Liabilities	1,998	1,582	1,501	1,675	3,499	3,257
Long-term Liabilities	<u>1,614</u>	<u>1,772</u>	<u>2,764</u>	<u>3,202</u>	<u>4,378</u>	<u>4,974</u>
Total Liabilities	<u>3,612</u>	<u>3,354</u>	<u>4,265</u>	<u>4,877</u>	<u>7,877</u>	<u>8,231</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Property Taxes	<u>782</u>	<u>706</u>	<u>-</u>	<u>-</u>	<u>782</u>	<u>706</u>
Total Deferred Inflows	<u>782</u>	<u>706</u>	<u>-</u>	<u>-</u>	<u>782</u>	<u>706</u>
<u>NET POSITION:</u>						
Invested in Capital Assets, Net of Related Debt	52,551	52,618	46,547	45,978	99,098	98,596
Restricted	10,984	10,693	352	352	11,336	11,045
Unrestricted	<u>4,000</u>	<u>4,433</u>	<u>7,185</u>	<u>6,136</u>	<u>11,185</u>	<u>10,569</u>
Total Net Position	<u>\$ 67,535</u>	<u>\$ 67,744</u>	<u>\$ 54,084</u>	<u>\$ 52,466</u>	<u>\$121,619</u>	<u>\$120,210</u>

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets and deferred outflows exceeded its liabilities and deferred inflows by \$121,618,707 at December 31, 2019.

By far the largest portion of the Town's Net Position (82%) reflects its net investment of \$99 million in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's Net Position, \$11,336,407 (9%) represents resources that are subject to restrictions as to how they may be used; this includes statutorily required TABOR emergency reserves and monies restricted for capital improvements, community enhancement and conservation trust purposes.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

THE TOWN AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net assets for the fiscal year 2019:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services/Sales	\$ 1,891	\$ 2,034	\$ 2,443	\$ 2,467	\$ 4,334	\$ 4,501
Operating Grants & Contrib.	488	483	-	-	488	483
Capital Grants & Contrib.	100	206	1,912	1,481	2,012	1,687
Total Program Revenues	<u>2,479</u>	<u>2,723</u>	<u>4,355</u>	<u>3,948</u>	<u>6,834</u>	<u>6,671</u>
General Revenues and Transfers:						
Taxes	8,131	7,447	-	-	8,131	7,447
Intergovernmental Revenue	271	245	-	-	271	245
Interest/Investment Earnings	337	277	149	118	486	395
Accretion of Bond Premium	-	14	-	-	-	-
Gain on Asset Disposal	12	74	-	-	12	74
Transfers	<u>(88)</u>	<u>(86)</u>	<u>88</u>	<u>86</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>8,663</u>	<u>7,957</u>	<u>237</u>	<u>204</u>	<u>8,900</u>	<u>8,161</u>
Total Revenues	<u>11,142</u>	<u>10,680</u>	<u>4,592</u>	<u>4,152</u>	<u>15,734</u>	<u>14,832</u>
<u>PROGRAM EXPENSES:</u>						
General Government	2,008	2,029	-	-	2,008	2,029
Community Development	1,009	1,007	-	-	1,009	1,007
Public Safety	1,079	1,023	-	-	1,079	1,023
Streets & Public Works	4,008	4,046	-	-	4,008	4,046
Culture & Recreation	3,004	3,067	-	-	3,004	3,067
Economic Development	195	370	-	-	195	370
Interest - Gen'l Obligations	48	51	-	-	48	51
Other Costs of Debt	-	-	-	-	-	-
Water Utility	-	-	1,503	1,626	1,503	1,626
Sewer Utility	-	-	1,188	1,184	1,188	1,184
Sanitation Utility	<u>-</u>	<u>-</u>	<u>283</u>	<u>308</u>	<u>283</u>	<u>308</u>
Total Expenses	<u>11,351</u>	<u>11,593</u>	<u>2,974</u>	<u>3,118</u>	<u>14,325</u>	<u>14,711</u>
INCREASE (DECREASE)						
IN NET POSITION	<u>\$ (209)</u>	<u>\$ (913)</u>	<u>\$ 1,618</u>	<u>\$ 1,034</u>	<u>\$ 1,409</u>	<u>\$ 121</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

THE TOWN AS A WHOLE -- CONTINUED

Governmental Activities

Revenues

The Town's governmental activities revenues decreased approximately \$244 thousand, or 9% from the prior year. Notable decreases occurred in community development type charges related to the permitting of home construction and other economic development.

Expenses

Program expenses for governmental activities decreased approximately \$242 thousand, or 2% from the prior fiscal year. Decreases in operating costs occurred in planning and zoning type expenses related to economic development and town planning.

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	<u>Total Cost of Service</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General Government	\$ 2,008	\$ 2,029	\$ 1,444	\$ 1,174
Community Development	1,009	1,007	787	815
Public Safety	1,079	1,023	1,035	976
Streets & Public Works	4,008	4,046	3,425	3,563
Culture & Recreation	3,004	3,067	2,034	2,000
Economic Development	195	370	99	291
Interest - General Obligation Debt	48	51	48	51
Other Costs of Long-term Debt	-	-	-	-
Total Expenses	<u>\$ 11,351</u>	<u>\$ 11,593</u>	<u>\$ 8,872</u>	<u>\$ 8,870</u>

The dependence on general revenues for governmental activities is essential. Approximately 78% of fiscal 2019 program services were supported through taxes and other general revenues, and 77% in 2018.

Business-Type Activities – The results of operations of the business-type activity indicate that the utility funds are generating enough revenues to be self-sustaining without assistance from the general fund:

<i>(In Thousands)</i>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>
Operating Revenues	\$ 2,443	\$ 2,467
Capital Grants and Contributions	1,912	1,481
General Revenues	<u>149</u>	<u>118</u>
Total Revenues	<u>4,504</u>	<u>4,066</u>
Operating and Interest Expenses	<u>2,974</u>	<u>3,118</u>
Net Income (Loss), Before Capital Contributions	1,530	948
Transfer In (Out)	88	86
Infrastructure Capital Contributions	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 1,618</u>	<u>\$ 1,034</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

THE TOWN'S FUNDS

Governmental Funds

The governmental fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The governmental fund level financial statements are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service principal payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The General Fund ending fund balance decreased from \$4,885,856 to \$4,511,405 during the current fiscal year. The net decrease of \$374,451 represents the excess of current period expenditures (financial uses) over current period revenues (financial resources). The ending fund balance in the amount of \$4,511,405, which includes \$390,341 of reserves, is the amount of net resources available for future spending. Most financial resources are from taxes and intergovernmental revenues from state and county taxes.

The Conservation Trust Fund ending fund balance increased from \$23,336 to \$65,443 during the current fiscal year. The net increase of \$42,107 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$65,443 is the amount of net resources available for future spending. The majority of financial resources are intergovernmental revenues from state lottery proceeds.

The Parks and Recreation ending fund balance decreased from \$180,378 to \$122,990 during the current fiscal year. The net decrease of \$57,388 represents the excess of current period expenditures (financial uses) over current period revenues (financial resources). The ending fund balance of \$122,990 includes non-spendable items that total \$22,650 leaving assigned net resources available for future spending in the amount of \$100,340.

The Highway 6 Devolution Fund ending fund balance is increased from \$10,305,256 to \$10,528,607. The ending fund balance of \$10,528,607 represents the amount of restricted funding to be used for future maintenance of Highway 6 infrastructure located within the Town limits.

Proprietary Funds

The proprietary fund level financial statements, as discussed above, use the same basis of accounting as business-type activities.

The Water Enterprise Fund ending net position increased from \$36,578,309 to \$37,429,575.

The Sewer Enterprise Fund ending net position increased from \$15,532,821 to \$16,250,230.

The Sanitation Enterprise Fund ending net position increased from \$354,614 to \$404,045.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

Proprietary Funds - Continued

Positive changes in net position reflect that the enterprise funds are currently generating enough operating and non-operating revenues to offset current year operating and non-operating expenses, while negative changes in net assets indicate that they are not. The net assets of the enterprise activities represent the amount of net resources, including capital assets, available to provide future utility services to the general public of the Town of Gypsum. Certain net assets have been restricted for future debt service in the Water Fund (\$16,516) and (\$335,500) in the Sewer Fund. Unrestricted net assets, those not restricted or invested in capital assets, that are available for future spending are \$3,803,427 in the Water Fund; \$2,976,906 in the Sewer Fund; and \$404,045 in the Sanitation Fund.

GENERAL FUND BUDGETING HIGHLIGHTS

The Town's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception of the Proprietary (Enterprise) Funds. The reconciliation of the budgetary differences of the Proprietary Fund to GAAP is found in *Note 1(E)*.

The budgeting system of the Town uses a line-item based budget, which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of fiscal 2019, the Town amended its General Fund budget. During 2019, the general fund original budget appropriation in the amount of \$10,245,510 was increased by \$917,080 to the final budget appropriation of \$11,162,590 to more accurately reflect anticipated year-end use of available general fund resources.

General Fund Resources (Inflows)

The Town's General Fund budgetary revenues and other financing sources in the amount of \$10,178,761 exceeded budgetary expectations of \$9,932,651 by \$246,110. Notable positive variances occurred for real estate transfer taxes, sales tax collections and building permits and related fees. Further detail of individual line-item revenues for the general fund can be found in the 'Other Supplemental Information' section following the notes to the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's General Fund budgetary expenditures and other financing uses of \$10,553,212 were \$609,378 less than the final appropriated fund balance of \$11,162,590. This positive variance primarily resulted from unexpended amounts for streets and public works maintenance expenditures and overall capital outlay. Further detail of individual line-item expenditures for the general fund can be found in the 'Other Supplemental Information' section following the notes to the financial statements.

The Town Council and the Town's management continue to strive to budget appropriate amounts for each individual line item. This year's overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the Town had a total of \$104,024,983 in capital assets, consisting of \$54,322,672 in governmental activities and \$49,702,311 in business-type activities. The following reflects the balances of fiscal year 2019 compared to fiscal year 2018:

(In Thousands)	Governmental		Business-Type		Total	
	Activities		Activities			
<i>Net of Depreciation:</i>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 7,494	\$ 6,571	\$ 214	\$ 176	\$ 7,708	\$ 6,747
Water Rights	-	-	13,737	8,146	13,737	8,146
Construction-in-Progress	-	-	-	7,642	-	7,642
Buildings	12,976	13,459	52	55	13,028	13,514
Lines, Meters, Plant	-	-	178	33,373	178	33,373
Improvements	2,495	2,686	-	-	2,495	2,686
Equipment & Furniture	645	799	35,521	158	36,166	957
Ballfields	206	247	-	-	206	247
Infrastructure	<u>30,507</u>	<u>30,807</u>	<u>-</u>	<u>-</u>	<u>30,507</u>	<u>30,807</u>
Total Capital Assets	<u>\$ 54,323</u>	<u>\$ 54,569</u>	<u>\$ 49,702</u>	<u>\$ 49,550</u>	<u>\$ 104,025</u>	<u>\$ 104,119</u>

Debt

At December 31, 2019 the Town had a total of \$4,926,631 of outstanding long-term obligations, of which \$1,771,776 is carried in governmental activities and \$3,154,855 is carried in business-type activities. Additional information regarding debt service requirements is found in *Note 5* of the financial statements.

MAJOR INITIATIVES

Since the recent major enlargement of LEDE Reservoir, at the headwaters of Gypsum Creek, the town turned their attention to their other source of water, Mosher Springs. The ensuing project, while essentially a piping upgrade for this high-quality water supply, had a bonus benefit which the town council had discussed for years—hydropower generation.

The fact that the intake for Mosher Springs is a few miles distant and well above the elevation of the town water plant had intrigued staff as a potential power source for years, so when the opportunity arose, it became an elegant addition to a larger project. The hydroelectric aspect is a relatively simple design, powering a generator at the bottom of the pipe at the existing water treatment plant intake on Gypsum Creek. The pipeline portion of the project was completed in 2018 and the powerhouse in 2019.

The overall project cost was just under \$1.57 million of which the hydroelectric component, was approximately \$696 thousand. With Holy Cross Energy payments averaging around \$5,000 per month, the project is expected ROI in its 27th year. However, excluding the cost of the pipeline replacement as a normal maintenance expense, the project becomes profitable in its 11th year. Either way, Mosher Spring will be supplying the Town of Gypsum for the foreseeable future, so this investment should have a payback of many times its cost. Also, from a legal standpoint, being that the water already belonged to the town as a water right for municipal consumption, the secondary use for power generation was a non-issue.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2019

MAJOR INITIATIVES - *Continued*

In 2018, the town contracted with SGM Engineers to create a sewer master plan for the purpose of identifying and pricing the improvements necessary to accommodate anticipated population growth and the implementation of stricter treatment regulations. The report identifies between \$28.4 and \$36.7 million of improvements between now and the year 2038. In 2019, the town completed a sewer rate study which suggested that we needed to increase sewer rates by 6% yearly, for a period of 7 years in order to generate enough reserves to secure the financing necessary to undertake these improvements.

To that end, the town passed an ordinance that effectively increased our sewer flat rate by 6%, starting in 2020, for both residential and commercial users. Further, it established a threshold for commercial customers of 15,000 gallons per EQR over which an additional fee is incurred at a rate of \$6.00 per 1,000 gallons, as determined by metered water deliveries. This ordinance included successive annual rate increases of 6% through 2026, after which the rates shall escalate annually at a rate of 1.5% over a designated Consumer Price Index.

The town is in the process of developing an RFP to engage a design consultant to develop plans for the first step in the project schedule as identified in the sewer master plan.

Finally, the town plans to complete the designs for highway 6 improvements between Valley Road and Schoolside Street, started in 2016. Preliminary designs proposed roundabouts at the aforementioned intersections, eliminating the signals at Valley Road and Oak Ridge Drive. The goal is to be under construction by 2021.

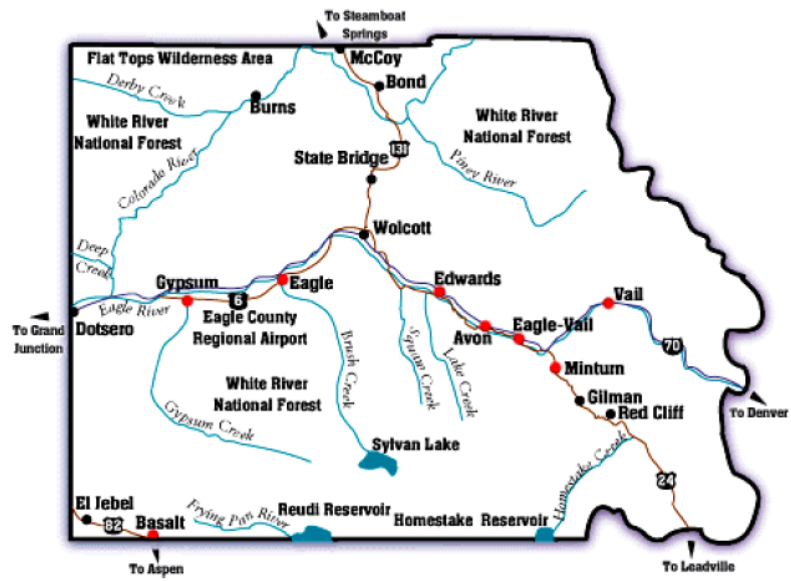
CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

Since 1990 the Town's population has increased from 1,750 to approximately 7,400. Although this growth has benefited the Town's financial position, the Town continues to seek ways to improve the quality and quantity of the services provided to the citizens of the Town of Gypsum. Sales and use tax revenue increased in 2019 when compared to 2018 by 11%. Sales and use tax continue to be a principal source of the Town's governmental revenues, accounting for 60% of the General Fund revenues in 2019. In 2019, the Town's real estate transfer tax collections increased by \$50,476 or 5%, from 2018. The Town expects to see increases in sales and a decline in use tax and real estate transfer taxes in 2020. Enterprise activities will continue to rely on charges for services.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Town Gypsum, Colorado
P.O. Box 130
Gypsum, CO 81637
Phone: (970) 524-7514
Fax: (970) 524-7522



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities	Business-type Activities	Totals
Current Assets:			
Cash and Investments	\$ 5,856,665	\$ 7,808,222	\$ 13,664,887
Receivables:			
Property Taxes	781,362	-	781,362
Accounts Receivable	221,658	230,002	451,660
Intergovernmental	71,375	-	71,375
Other Receivables	-	75,545	75,545
Other Assets	22,650	-	22,650
Total Current Assets	<u>6,953,710</u>	<u>8,113,769</u>	<u>15,067,479</u>
Non-Current Assets:			
Restricted Cash Balance	10,652,391	352,016	11,004,407
Prepaid Water Purchase Lease Costs	-	178,850	178,850
Capital Assets:			
Non-Depreciable	7,493,797	13,951,111	21,444,908
Depreciable, Net	<u>46,828,875</u>	<u>35,751,200</u>	<u>82,580,075</u>
Total Non-Current Assets	<u>64,975,063</u>	<u>50,233,177</u>	<u>115,208,240</u>
Deferred Outflow of Resources:			
Bond Series 2009-Loss on Refunding	<u>-</u>	<u>2,260</u>	<u>2,260</u>
Total Deferred Outflow of Resources	<u>-</u>	<u>2,260</u>	<u>2,260</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>71,928,773</u>	 <u>58,349,206</u>	 <u>130,277,979</u>
Liabilities:			
Accounts Payable	590,460	127,335	717,795
Accrued Interest Payable	3,691	1,721	5,412
Accrued Wages & Related Expenses	82,837	21,270	104,107
Accrued Vacation & Sick Pay	240,793	85,385	326,178
Other Liabilities	922,997	-	922,997
Unearned Revenue	-	874,790	874,790
Long-term Debt:			
Portion Due or Payable within One Year:			
Lease Purchase – 2017 COP Refinance	157,326	20,785	178,111
Bonds Payable	-	369,348	369,348
Portion Due or Payable after One Year:			
Intergovernmental Loan	-	2,551,423	2,551,423
Lease Purchase – 2017 COP Refinance	1,614,450	213,299	1,827,749
Bonds Payable-Net of Premium	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,612,554</u>	<u>4,265,356</u>	<u>7,877,910</u>
Deferred Inflow of Resources:			
From Property Taxes	<u>781,362</u>	<u>-</u>	<u>781,362</u>
Total Deferred Inflow of Resources	<u>781,362</u>	<u>-</u>	<u>781,362</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	52,550,896	46,547,456	99,098,352
Restricted for Emergencies	332,000	-	332,000
Restricted – Other (see Note 1Q)	10,652,391	352,016	11,004,407
Unrestricted	<u>3,999,570</u>	<u>7,184,378</u>	<u>11,183,948</u>
TOTAL NET POSITION	<u>\$ 67,534,857</u>	<u>\$ 54,083,850</u>	<u>\$ 121,618,707</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2019

		PROGRAM REVENUES		
		Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
	<u>EXPENSES</u>			
FUNCTION/PROGRAM ACTIVITIES				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 2,007,459	\$ 563,082	\$ -	\$ -
Community Development	1,009,428	222,490	-	-
Public Safety	1,079,387	43,817	-	-
Streets and Public Works	4,007,586	95,272	487,672	-
Culture and Recreation	3,004,261	870,452	-	99,554
Economic Development	194,859	95,758	-	-
Interest on General Long-term Debt	47,793	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>11,350,773</u>	<u>1,890,871</u>	<u>487,672</u>	<u>99,554</u>
BUSINESS-TYPE ACTIVITIES:				
Water Utility	1,502,683	1,210,456	-	1,057,741
Sewer Utility	1,188,027	906,996	-	854,595
Sanitation Utility	283,360	325,125	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>2,974,070</u>	<u>2,442,577</u>	<u>-</u>	<u>1,912,336</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 14,324,843</u>	<u>\$ 4,333,448</u>	<u>\$ 487,672</u>	<u>\$ 2,011,890</u>

GENERAL REVENUES AND TRANSFERS:

Taxes:

Property Taxes, Levied for General Purposes
Specific Ownership Taxes, for General Purposes
Sales and Use Tax

Franchise Tax

Real-Estate Transfer Tax

Grants and Entitlements Not Restricted to Specific Programs:

Intergovernmental – County Sales Tax

Intergovernmental – Cigarette Tax

Unrestricted Interest and Investment Earnings

Gain/ (Loss) on Asset Disposition

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,444,377)	-	\$ (1,444,377)
(786,938)	-	(786,938)
(1,035,570)	-	(1,035,570)
(3,424,642)	-	(3,424,642)
(2,034,255)	-	(2,034,255)
(99,101)	-	(99,101)
(47,793)	-	(47,793)
(8,872,676)	-	(8,872,676)
-	\$ 765,514	765,514
-	573,564	573,564
-	41,765	41,765
-	1,380,843	1,380,843
(8,872,676)	1,380,843	(7,491,833)
704,410	-	704,410
38,125	-	38,125
6,067,181	-	6,067,181
261,708	-	261,708
1,059,851	-	1,059,851
255,136	-	255,136
15,614	-	15,614
337,399	149,263	486,662
11,777	-	11,777
(88,000)	88,000	-
8,663,201	237,263	8,900,464
(209,475)	1,618,106	1,408,631
67,744,332	52,465,744	120,210,076
\$ 67,534,857	\$ 54,083,850	\$ 121,618,707

FUND FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General Fund	Conservation Trust Fund	Parks and Recreation Fund
<u>ASSETS:</u>			
Cash and Investments	\$ 5,803,206	\$ 65,443	\$ 111,800
Receivables – Net:			
Property Taxes	781,362	-	-
Accounts Receivable	216,698	-	4,960
Intergovernmental Receivable	71,375	-	-
Other Assets	<u>-</u>	<u>-</u>	<u>22,650</u>
Total Assets	<u>\$ 6,872,641</u>	<u>\$ 65,443</u>	<u>\$ 139,410</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
Liabilities:			
Accounts Payable	\$ 586,354	\$ -	\$ 4,106
Accrued Wages & Related Expenses	73,492	-	9,345
Other Liabilities	<u>920,028</u>	<u>-</u>	<u>2,969</u>
Total Liabilities	<u>1,579,874</u>	<u>-</u>	<u>16,420</u>
Deferred Inflows of Resources:			
Unavailable Revenues From Property Taxes	<u>781,362</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows	<u>781,362</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable	-	-	22,650
Restricted for -			
Enhancement Fund	58,341	-	-
Conservation Trust	-	65,443	-
Emergency Reserves	332,000	-	-
Highway 6 Devolution	-	-	-
Committed for -			
Wildlife Mitigation	79,820	-	-
Assigned for -			
Golf Course Operations	-	-	100,340
Unassigned	<u>4,041,244</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>4,511,405</u>	<u>65,443</u>	<u>122,990</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,872,641</u>	<u>\$ 65,443</u>	<u>\$ 139,410</u>

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

Highway 6 Devolution Fund	Total Governmental Funds
\$ 10,528,607	\$ 16,509,056
-	781,362
-	221,658
-	71,375
-	22,650
<u>\$ 10,528,607</u>	<u>\$ 17,606,101</u>
\$ -	\$ 590,460
-	82,837
-	922,997
<u>-</u>	<u>1,596,294</u>
-	781,362
-	781,362
-	22,650
-	58,341
-	65,443
-	332,000
10,528,607	10,528,607
-	79,820
-	100,340
-	4,041,244
<u>10,528,607</u>	<u>15,228,445</u>
<u>\$ 10,528,607</u>	<u>\$ 17,606,101</u>

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2019

TOTAL GOVERNMENTAL FUND BALANCES	\$ 15,228,445
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Amounts reported for governmental activities on the statement of net position
is different because of the following:

Capital assets used in governmental activities are not financial resources and therefore,
are not reported in the governmental funds.

Governmental Capital Assets	\$ 89,977,282	
Less Accumulated Depreciation	<u>(35,654,610)</u>	54,322,672

Some liabilities are not due and payable in the current year and therefore, are not reported
in the governmental funds:

Accrued Interest Payable	\$ (3,691)	
Accrued Compensated Absences	(240,793)	
Current Portion of Long-term Liabilities	<u>(157,326)</u>	(401,810)

Long-term liabilities are not due and payable in the current year-end and
therefore, are not reported in the governmental funds.

(1,614,450)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 67,534,857</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Parks and Recreation Fund</u>
<u>Revenues:</u>			
Taxes	\$ 8,402,025	\$ -	\$ -
Licenses and Permits	47,948	-	-
Intergovernmental	487,672	41,213	-
Charges for Services	79,297	-	776,434
Community Development	811,940	-	-
Miscellaneous	238,870	-	-
Sale of Fixed Assets	-	-	6,500
Interest Income	<u>111,009</u>	<u>894</u>	<u>2,145</u>
Total Revenues	<u>10,178,761</u>	<u>42,107</u>	<u>785,079</u>
<u>Expenditures:</u>			
General Government	1,847,013	-	-
Community Development	979,912	-	-
Public Safety	1,036,207	-	-
Streets and Public Works	3,354,896	-	-
Culture and Recreation	1,029,235	-	1,096,071
Economic Development	194,859	-	-
Capital Outlay	1,480,090	-	88,659
Debt Service:			
Principal	-	-	152,627
Interest	<u>-</u>	<u>-</u>	<u>48,110</u>
Total Expenditures	<u>9,922,212</u>	<u>-</u>	<u>1,385,467</u>
Excess Revenues Over (Under) Expenditures	256,549	42,107	(600,388)
<u>Other Financing Sources and (Uses):</u>			
Transfers from Other Funds	-	-	543,000
Transfers (to) Other Funds	<u>(631,000)</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(374,451)	42,107	(57,388)
Fund Balances – Beginning	<u>4,885,856</u>	<u>23,336</u>	<u>180,378</u>
Fund Balances – Ending	<u>\$ 4,511,405</u>	<u>\$ 65,443</u>	<u>\$ 122,990</u>

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

Highway 6 Devolution Fund	Total Governmental Funds
\$ -	\$ 8,402,025
-	47,948
-	528,885
-	855,731
-	811,940
-	238,870
-	6,500
<u>223,351</u>	<u>337,399</u>
<u>223,351</u>	<u>11,229,298</u>
-	1,847,013
-	979,912
-	1,036,207
-	3,354,896
-	2,125,306
-	194,859
-	1,568,749
-	152,627
<u>-</u>	<u>48,110</u>
<u>-</u>	<u>11,307,679</u>
223,351	(78,381)
-	543,000
<u>-</u>	<u>(631,000)</u>
223,351	(166,381)
<u>10,305,256</u>	<u>15,394,826</u>
<u>\$ 10,528,607</u>	<u>\$ 15,228,445</u>

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (166,381)

Amounts reported for governmental activities on the Statement of Activities
are different because of the following:

Governmental Funds report capital outlays as expenditures and contributed infrastructure is not recorded; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount by which fixed asset additions exceeded depreciation.

Capital Outlay	\$	3,154,129	
Depreciation		<u>(3,400,319)</u>	(246,190)

The net book value of asset dispositions are not reported in the governmental funds as they are not a current financial use. This is the amount by which the net book value of assets disposed exceeded proceeds, if applicable, in the current year.

-

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increase long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

179,346

Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year. This is the amount total accrued leave decreased this year.

23,433

Interest expense is recognized as an expenditure in the governmental funds when due, and this requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased.

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CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (209,475)

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES:</u>				
Current Assets:				
Cash and Investments	\$ 4,448,156	\$ 2,969,248	\$ 390,818	\$ 7,808,222
Receivables – Net				
Accounts Receivable	112,948	84,798	32,256	230,002
Other Receivables	75,545	-	-	75,545
Total Current Assets	<u>4,636,649</u>	<u>3,054,046</u>	<u>423,074</u>	<u>8,113,769</u>
Non-Current Assets:				
Restricted Cash Balances	16,516	335,500	-	352,016
Prepaid Water Lease Costs	178,850	-	-	178,850
Capital Assets, Net of				
Accumulated Depreciation	<u>36,395,139</u>	<u>13,307,172</u>	<u>-</u>	<u>49,702,311</u>
Total Non-Current Assets	<u>36,590,505</u>	<u>13,642,672</u>	<u>-</u>	<u>50,233,177</u>
Deferred Outflow of Resources:				
Bond Series 2009-Loss on Refunding	-	2,260	-	2,260
Total Deferred Outflow of Resources	<u>-</u>	<u>2,260</u>	<u>-</u>	<u>2,260</u>
Total Assets and Deferred				
Outflows of Resources	<u>\$ 41,227,154</u>	<u>\$ 16,698,978</u>	<u>\$ 423,074</u>	<u>\$ 58,349,206</u>
<u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND NET POSITION:</u>				
Current Liabilities:				
Accounts Payable	\$ 86,423	\$ 32,197	\$ 8,715	\$ 127,335
Accrued Interest	488	1,233	-	1,721
Accrued Wages and Related Expenses	10,439	6,845	3,986	21,270
Accrued Vacation and Sick Pay	41,932	37,125	6,328	85,385
Unearned Revenue	872,790	2,000	-	874,790
Current Maturities of Long-term Debt - Net	<u>20,785</u>	<u>369,348</u>	<u>-</u>	<u>390,133</u>
Total Current Liabilities	<u>1,032,857</u>	<u>448,748</u>	<u>19,029</u>	<u>1,500,634</u>
Non-Current Liabilities:				
Bonds – Net of Premium	-	-	-	-
Lease Purchase – 2017 COP Refinance	213,299	-	-	213,299
Intergovernmental Loan	<u>2,551,423</u>	<u>-</u>	<u>-</u>	<u>2,551,423</u>
Total Non-Current Liabilities	<u>2,764,722</u>	<u>-</u>	<u>-</u>	<u>2,764,722</u>
Total Liabilities	<u>3,797,579</u>	<u>448,748</u>	<u>19,029</u>	<u>4,265,356</u>
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	33,609,632	12,937,824	-	46,547,456
Restricted for Debt Service	16,516	335,500	-	352,016
Unrestricted	<u>3,803,427</u>	<u>2,976,906</u>	<u>404,045</u>	<u>7,184,378</u>
Total Net Position	<u>37,429,575</u>	<u>16,250,230</u>	<u>404,045</u>	<u>54,083,850</u>
Total Liabilities, Deferred Inflows				
of Resources and Net Position	<u>\$ 41,227,154</u>	<u>\$ 16,698,978</u>	<u>\$ 423,074</u>	<u>\$ 58,349,206</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>OPERATING REVENUES:</u>				
Service Fees	\$ 1,095,079	\$ 906,316	\$ 325,125	\$ 2,326,520
Other Operating Revenues	115,377	680	-	116,057
Total Operating Revenues	<u>1,210,456</u>	<u>906,996</u>	<u>325,125</u>	<u>2,442,577</u>
<u>OPERATING EXPENSES:</u>				
System Operations:				
Salaries	323,656	203,408	83,794	610,858
Payroll Taxes	25,379	16,018	7,869	49,266
Employee Benefits	91,797	62,867	32,073	186,737
Utilities	105,005	101,537	-	206,542
Operating Supplies	51,662	36,777	5,027	93,466
Non-Capitalized Outlay/Repairs	47,507	49,392	-	96,899
Repairs and Maintenance	65,353	237,625	28,528	331,506
System Component Upgrades	13,133	-	-	13,133
Water Purchase	34,250	-	-	34,250
Landfill Fees	-	-	79,817	79,817
Eagle River Monitoring	11,500	-	-	11,500
Depreciation	404,305	378,267	-	782,572
Miscellaneous	14,857	614	-	15,471
Total System Operations	<u>1,188,404</u>	<u>1,086,505</u>	<u>237,108</u>	<u>2,512,017</u>
Administration:				
Salaries	57,101	39,400	28,872	125,373
Payroll Taxes	4,408	3,045	2,219	9,672
Employee Benefits	11,274	8,784	6,184	26,242
Office and Billing	8,976	8,443	8,977	26,396
Dues and Permits	2,827	-	-	2,827
Professional Services	106,398	8,642	-	115,040
Total Administration	<u>190,984</u>	<u>68,314</u>	<u>46,252</u>	<u>305,550</u>
Total Operating Expenses	<u>1,379,388</u>	<u>1,154,819</u>	<u>283,360</u>	<u>2,817,567</u>
Operating Income (Loss)	<u>(168,932)</u>	<u>(247,823)</u>	<u>41,765</u>	<u>(374,990)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Tap Fees	749,682	854,595	-	1,604,277
Developer Contributions	21,417	-	-	21,417
Dedication Fees	244,142	-	-	244,142
Interest Income	85,752	55,845	7,666	149,263
Interest Expense	(123,295)	(33,208)	-	(156,503)
Total Non-Operating Revenues (Expenses)	<u>977,698</u>	<u>877,232</u>	<u>7,666</u>	<u>1,862,596</u>
Income (Loss) Before Contributions & Transfers	808,766	629,409	49,431	1,487,606
Transfers In (Out)	-	88,000	-	88,000
Capital Contributions	<u>42,500</u>	<u>-</u>	<u>-</u>	<u>42,500</u>
Change in Net Position	851,266	717,409	49,431	1,618,106
Net Position – Beginning	<u>36,578,309</u>	<u>15,532,821</u>	<u>354,614</u>	<u>52,465,744</u>
Net Position – Ending	<u>\$ 37,429,575</u>	<u>\$16,250,230</u>	<u>\$ 404,045</u>	<u>\$ 54,083,850</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from Customers	\$ 1,243,366	\$ 908,685	\$ 326,166	\$ 2,478,217
Cash Payments for Goods and Services	(549,158)	(628,625)	(168,712)	(1,346,495)
Cash Payments to Employees	(380,010)	(244,391)	(112,454)	(736,855)
Net Cash Provided (Used) by Operating Activities	314,198	35,669	45,000	394,867
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Tap Fees	706,932	792,475	-	1,499,407
Additions to Property, Plant & Equipment	(742,205)	(206,825)	-	(949,030)
Developer Contributions	2,548	-	-	2,548
Water Dedication Fees	244,142	-	-	244,142
Proceeds from Grants	42,500	-	-	42,500
Transfers In (Out)	-	88,000	-	88,000
Principal (Paid) on Long-term Debt	(68,311)	(350,000)	-	(418,311)
Interest (Paid) on Long-term Debt	(123,337)	(28,800)	-	(152,137)
Net Cash Provided (Used) by Capital and Related Financing Activities	62,269	294,850	-	357,119
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest	85,752	55,845	7,666	149,263
Net Cash Provided (Used) by Investing Activities	85,752	55,845	7,666	149,263
Net Increase (Decrease) in Cash and Cash Equivalents	462,219	386,364	52,666	901,249
Cash at Beginning of Year	4,002,453	2,918,384	338,152	7,258,989
Cash at End of Year	\$ 4,464,672	\$ 3,304,748	\$ 390,818	\$ 8,160,238
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ (168,932)	\$ (247,823)	\$ 41,765	\$ (374,990)
Non-Cash Expenses Included in Operating Income –				
Depreciation & Amortization	404,305	378,267	-	782,572
Other Deferred Cost Recognition	7,400	-	-	7,400
Change in Assets and Liabilities –				
Decrease (Increase) Receivables	32,910	1,689	1,041	35,640
Increase (Decrease) in Accounts Payable	37,768	(94,881)	1,982	(55,131)
Increase (Decrease) in Accrued Liabilities	747	(1,583)	212	(624)
Increase (Decrease) in Unearned Service Revenues	-	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ 314,198	\$ 35,669	\$ 45,000	\$ 394,867
NON-CASH FINANCING ACTIVITY:				
Infrastructure Dedications Accepted	\$ -	\$ -	\$ -	\$ -

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
For the Year Ended December 31, 2019

	<u>AGENCY FUNDS</u>	
	<u>Gypsum Recreation Center Capital Committee</u>	<u>Total Agency Funds</u>
<u>ASSETS:</u>		
Cash	\$ 139,331	\$ 139,331
Accounts Receivable	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 139,331</u>	<u>\$ 139,331</u>
<u>LIABILITIES:</u>		
Due to Town of Gypsum	\$ 54,380	\$ 54,380
Funds Held on Behalf of Entity	<u>84,951</u>	<u>84,951</u>
Total Liabilities	<u>\$ 139,331</u>	<u>\$ 139,331</u>

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Gypsum are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Significant accounting policies of the Town of Gypsum are described below.

A. Financial Reporting Entity

The Town of Gypsum was organized in 1911, under provisions of the Colorado State Statutes. The provisions of its home rule charter that was adopted in 1982 currently govern the Town. The Town operates under a Council-Mayoral form of government whereby the elected Mayor and Town Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes govern the Town.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either 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. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the Town is not financially accountable for any other entity and, therefore, the Town's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the Town's reporting entity, nor is the Town a component unit of any other government. The Town's financial statements include the accounts of all Town operations.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the overall primary government, excluding fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Town at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the Town.

FUND FINANCIAL STATEMENTS

During the fiscal year, the Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column. Enterprise and fiduciary funds are reported by type.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The Town's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations based upon the purposes for which they are to be spent and by means by which spending activities are controlled. The various funds of the Town are outlined in the following paragraphs.

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Town for any purpose provided it is expended or transferred according to general statutory laws.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of special revenue sources that are restricted or committed for purposes other than debt service or capital projects.

Conservation Trust Fund is a special revenue fund used to account for revenue from the Colorado Lottery restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes.

Parks and Recreation Fund is a special revenue fund used to account for funds to be expended on parks and recreation, the operations of the Town's golf course and sales tax revenues that are restricted for the retirement of the 2005 revenue bonds (*Note 5*).

Highway 6 Devolution Fund is a special revenue fund used to account for funds to be expended on maintenance of 5.7 miles of Highway 6 located within the Town's limits.

PROPRIETARY FUNDS

Enterprise Funds – The Water Fund, Sewer Fund and Sanitation Fund are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

Agency Funds – Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units and funds. The Town's agency funds consist of the Gypsum Recreation Center Capital Committee.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town receives value without directly giving equal value in return, consist of property taxes, other taxes and fines and penalties. All assets and all liabilities associated with the operation of the Town are included on the statement of net position.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between government-wide and governmental fund statements. Under this method, revenues are recognized when measurable and available. The Town considers all revenues available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are property taxes, sales taxes, highway user taxes, and reimbursements from developers for professional fees.

Taxpayer-assessed local property and specific ownership taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for outstanding general long-term liabilities which are reported as expenditures when paid.

Like the government-wide financial statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the Town finances and meets the cash flow needs of its enterprise fund.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

The Town annually adopts budgets for all funds as required by its Home Rule Municipal Charter. This formal budgetary integration is employed as a management control device during the year for all funds. As required by the Home Rule Charter and Colorado Statutes, the Town follows this timetable in approving and enacting a budget for the ensuing year:

- 1) Prior to August 25, the County Assessor sends the Town the preliminary certified assessed valuation of all taxable property within the Town's boundaries.
- 2) The Mayor, or other qualified persons appointed by the Council, submits to the Council, on or before October 15, a recommended budget which details the necessary property taxes needed along with other available revenues to meet the Town's operating requirements. The Mayor is to submit to the Council a long-range capital program two weeks before the submission of the recommended budget.
- 3) The Council holds a public hearing on the proposed budget and capital program no later than 45 days prior to the close of the fiscal year.
- 4) Prior to December 10, the County Assessor sends the Town the final certified assessed valuation of all taxable property within the Town's boundaries.
- 5) Prior to December 15, the Town Council computes and certifies to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.
- 6) After the required public hearing, the Town Council adopts the proposed budget, by ordinance, prior to December 15. The ordinance adopting the budget also legally appropriates expenditures for the upcoming year.
- 7) After adoption of the budget ordinance, the Town may make, by ordinance, the following changes: (a) supplemental appropriations of revenues to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the Town Council may, by resolution, transfer part or all of any unexpended funds from one department or office to another.
- 8) Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- 9) Budget appropriations lapse at the end of each year.

The Town legally adopted annual budgets for all of the Town's funds for 2019.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

During the year the Town amended its budgeted appropriations as follows:

	<u>Original</u>	<u>Revised</u>	<u>Increase (Decrease)</u>
General Fund	\$ 10,245,510	\$ 11,162,590	\$ 917,080
Conservation Trust Fund	37,693	-	(37,693)
Parks and Recreation Fund	1,449,078	1,392,762	(56,316)
Water Fund	2,711,059	2,395,248	(315,811)
Sewer Fund	1,574,045	1,591,079	17,034
Sanitation Fund	592,314	597,664	5,350
Highway 6 Devolution Fund	-	-	-

(The Town does not adopt a budget for the Gypsum Recreation Center Capital Committee Agency Fund)

The budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the Enterprise Funds are adopted on a Non-GAAP basis and are reconciled from GAAP basis to budgetary basis as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Water Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 1,100,000	\$ 1,210,456	\$ 110,456
GAAP Non-Operating Revenues	1,107,494	1,100,993	(6,501)
GAAP Capital Contributions	79,040	42,500	(36,540)
Total Budgetary Based Revenues	<u>\$ 2,286,534</u>	<u>\$ 2,353,949</u>	<u>\$ 67,415</u>
Expenses			
GAAP Operating Expenses	\$ 1,230,000	\$ 1,379,388	\$ (149,388)
GAAP Non-Operating Expenses	123,337	123,295	42
Capital Outlay	973,600	742,205	231,395
Less Infrastructure Dedications	-	-	-
Debt Retirement	68,311	68,311	-
Accrued Interest	-	42	(42)
Amortization of Prepaid Water Lease	-	(7,400)	7,400
Depreciation	-	(404,305)	404,305
Total Budgetary Based Expenses	<u>\$ 2,395,248</u>	<u>\$ 1,901,536</u>	<u>\$ 493,712</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Sewer Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 896,500	\$ 906,996	\$ 10,496
GAAP Non-Operating Revenues	846,700	910,440	63,740
Transfer In(Out)	<u>88,000</u>	<u>88,000</u>	<u>-</u>
Total Budgetary Based Revenues	<u>\$ 1,831,200</u>	<u>\$ 1,905,436</u>	<u>\$ 74,236</u>
Expenses:			
GAAP Operating Expenses	\$ 736,395	\$ 1,154,819	\$ (418,424)
GAAP Non-Operating Expenses	29,175	33,208	(4,033)
Capital Outlay	475,509	192,816	282,693
Less Infrastructure Dedications	-	-	-
Debt Retirement	350,000	350,000	-
Amortization of Deferred Int/Prem.	-	(5,575)	5,575
Accrued Interest	-	1,167	(1,167)
Depreciation	<u>-</u>	<u>(378,267)</u>	<u>378,267</u>
Total Budgetary Based Expenses	<u>\$ 1,591,079</u>	<u>\$ 1,348,168</u>	<u>\$ 242,911</u>
<u>Sanitation Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 324,000	\$ 325,125	\$ 1,125
GAAP Non-Operating Revenues	<u>8,000</u>	<u>7,666</u>	<u>(334)</u>
Total Budgetary Based Revenues	<u>\$ 332,000</u>	<u>\$ 332,791</u>	<u>\$ 791</u>
Expenses:			
GAAP Operating Expenses	\$ 597,664	\$ 283,360	\$ 314,304
GAAP Non-Operating Expenses	-	-	-
Capital Outlay	-	-	-
Debt Retirement	-	-	-
Depreciation and Amortization	<u>-</u>	<u>-</u>	<u>-</u>
Total Budgetary Based Expenses	<u>\$ 597,664</u>	<u>\$ 283,360</u>	<u>\$ 314,304</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

The Town's policy in determining which items are treated as cash equivalents on the statement of cash flows in the Proprietary Funds include all cash, demand deposits, treasury bills and other short-term, highly liquid investments (including restricted assets) that are readily convertible to cash and have original maturities of three months or less.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. (See other required disclosures for cash and investments in Note 2.)

G. Inventories

The inventory in the Parks and Recreation Fund consists of retail items and is valued at cost, using the First in First out (FIFO) method. The cost of inventories are recorded as expenditures when sold.

H. Capital Assets/Depreciation

Capital assets purchased or acquired with an original cost in excess of the capitalization threshold (\$10,000) set by the Town are reported at historical or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	40 years
Water plant and lines	60 years
Sewer plant and lines	50 years
Water and sewer equipment	5 years
Trash trucks and equipment	5-10 years

On the government-wide statement of activities, governmental funds depreciation expense is included in the various expenses of functions or programs on capital assets that can be specifically identified with a function and for "shared" capital assets generally used by only a few functions that can be specifically identified to those functions. Depreciation expense for capital assets that essentially serve all functions are reported as a separate line in the statement of activities as unallocated depreciation, if applicable (see Note 3).

I. Customer Accounts Receivable

The Town considers customer accounts receivable for water, sewer and trash removal service fees to be fully collectible. The Town is empowered to place a lien on real property in the case of nonpayment. Accordingly, no allowance for doubtful accounts is considered necessary.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- J. Property Taxes Receivable and Deferred Inflows-Unavailable Property Tax Revenues
Property taxes in the State of Colorado are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded in the accompanying financial statements as a receivable and as deferred inflow of resources. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes to be collected are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.
- K. Proprietary Funds – Unearned Revenue
Unearned revenue in the Water Fund arises from prepaid tap and water dedication fees for which the requirements for revenue recognition have not been met.
- L. Proprietary Funds – Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Town, these revenues are charges for utility services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.
- M. Proprietary Funds – Contributed Capital
Grants and contributions in the enterprise funds which may be used for either operations or capital expenditures at the discretion of the Town are recognized as non-operating revenues. If expenditure of funds is the prime factor for determining eligibility for contributed funds, revenue or contributed capital is recognized at the time of making the expenditure.
- N. Compensated Absences
The Town's policy is to permit employees to accumulate a limited amount of earned but unused vacation and sick leave which will be paid upon separation from Town service, with vacation paid at 100% for all employees and sick leave paid at 50% for employees who have attained five years of service with a maximum payout of 160 hours.
- The Town has accrued a liability for sick and vacation pay that has been earned but not taken by Town employees. For governmental funds the liability for compensated absences is in the Statement of Net Positions but not the Fund Statements since it is anticipated that none of the liability will be liquidated with expendable available financial resources. The liability for compensated absences has been accrued in the proprietary funds.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the fund providing services and as expenditures/expenses in the fund receiving services. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise fund. Transfers among funds are provided for as part of the budget process. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Internal Balances

During the year, the Town may have transactions between funds to finance operations and provide services and to allocate combined cash balances. To the extent that certain transactions or budget transfers between funds have not been paid or received as of year-end, balances of inter-fund amounts receivable or payable are recorded. All inter-fund balances that exist within governmental activities are eliminated on the government-wide statement of net position.

Q. Net Position and Fund Balances

In the government-wide financial statements, net position is classified as follows:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position and Fund Balances - continued

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Enhancement Fund – Amounts on deposit received from Holy Cross Energy, *restricted* for use in beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events and grounding of overhead electric and other utility lines. At December 31, 2019 a total of \$58,341 was restricted in the General Fund for this purpose.

Conservation Trust – Amounts on deposit received from lottery monies from the State of Colorado *restricted* for use in the acquisition, development and maintenance of new conservation and recreation sites pursuant to Colorado Revised Statutes. At December 31, 2019 \$65,443 was restricted in the Conservation Trust Fund.

Debt Service – Amounts on deposit *restricted* for future debt service in accordance CWCB intergovernmental loan and 2005 bond issue agreement. At December 31, 2019 amounts restricted for Debt Service were \$16,516 in the Water Fund and \$335,500 in the Sewer Fund.

Emergency Reserves – As discussed in *Note 13*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures. These funds may only be expended in cases of emergencies as defined by the amendment, and are used to fund appropriations only after unrestricted resources are depleted. Total Emergency Reserves at December 31, 2019 were \$332,000.

Highway 6 Devolution – Amounts on deposit received from the Colorado Department of Transportation for the use in maintaining 5.7 miles of Highway 6 within the Town Limits. At December 31, 2019 \$10,528,607 was restricted in the Highway 6 Devolution Fund.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position and Fund Balances - continued

Governmental fund balances - continued:

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Town Council). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Wildlife Mitigation – A 0.1% fee is charged on sales of real estate within specified subdivisions within the Town of Gypsum and is committed for wildlife mitigation impacts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Golf Course Operations – funds to be used to maintain and operate golf course.

Unassigned – the residual for the general fund and the parks and recreation fund.

It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

R. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

S. Fair Value Measurements

The Town reports its investments using the fair value measurements established by generally accepted accounting principles. As such, fair value hierarchy categorizes the inputs used to measure the fair value into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 2 - CASH AND INVESTMENTS

A. Deposits and Investments

In order to facilitate the recording of cash transactions and maximize interest earnings, the Town has pooled cash deposits for all funds. The Town maintains accountability for each fund's equity in pooled cash and investments. Interest earnings for combined funds are generally distributed based on monthly cash balances.

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 regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

It is the policy of the Town to invest public funds in a manner which will provide the highest investment return with the maximum security, meet the daily cash flow demands of the Town, and conform to all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets of all funds of the Town over which it exercises financial control. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities, including securities issued by FNMA (Federal National Mortgage Association), GNMA (Governmental National Mortgage Association), FHLMC (Federal Home Loan Mortgage Corporation), the Federal Farm Credit Bank, the Federal Land Bank, the Export-Import Bank, and by the Tennessee Valley Authority, and certain international agency securities, including the World Bank.
- . General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- . Bankers' acceptances of certain banks
- . Certain securities lending agreements
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools
- . Investing in the local government's own securities, including certificates of participation and lease obligations.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 2 - **CASH AND INVESTMENTS (continued)**

A. **Deposits and Investments (continued)**

The Town's bank deposits were entirely covered by federal depository insurance (FDIC) or collateralized under PDPA in accordance with state statute, and had bank balances of \$2,432,037 of which \$328,493 was covered by FDIC insurance and \$2,103,544 by PDPA as described above.

Local Government Investment Pool (ColoTrust)

As of December 31, 2019, the Town had invested \$22,218,030 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST 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 COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2019, the Town had \$0 invested in COLOTRUST PRIME, and \$22,218,030 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 2 - CASH AND INVESTMENTS (continued)

B. Total Cash and Cash Equivalents

A summary of the Town's cash and cash equivalents at December 31, 2019 (inclusive of Agency Funds) are classified below:

Checking/Money Market	\$ 2,432,037
Local Government Investment Pools	22,218,030
Other Investments	<u>-</u>
Total Balances	24,650,067
Cash on Hand	1,350
Net Outstanding Items	<u>157,208</u>
Total Cash and Cash Equivalents	<u>\$ 24,808,625</u>

The above Cash and Cash Equivalents are reported in the accompanying financial statements in the following activities:

Governmental Activities	\$ 16,509,056
Business Type Activities	8,160,238
Fiduciary Activities	<u>139,331</u>
Total Cash and Cash Equivalents	<u>\$ 24,808,625</u>

Included in cash and cash equivalents are investments rated as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colotrust (Local Govt Investment Pool)	\$ 22,218,030	AAAm	Standard & Poors

C. Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The Town has deposits in Colotrust Plus+ with ratings as provided above.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 2 - **CASH AND INVESTMENTS (continued)**

C. **Risk Disclosures – (continued)**

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The Town's policy places no limit on the amount the Town may invest in any one issuer; however, the Town maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The Town maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows

The Town was not subject to foreign currency risk as of December 31, 2019.

D. **Restricted Cash**

At December 31, 2019 the Town's had restricted cash balances as follows:

Governmental Activities

Special Revenue Fund:

Conservation	65,443
Highway 6 Devolution	<u>10,528,607</u>
Total Special Revenue Fund Restricted Cash	<u>10,594,050</u>
 Total Governmental Activities	 <u><u>\$ 10,594,050</u></u>

Business-type Activities

Water Fund:

Colorado Conservation Water Board Loan	<u>\$ 16,516</u>
Total Water Fund Restricted Cash	<u>16,516</u>

Sewer Fund:

2009 Revenue Bonds debt service escrow	<u>335,500</u>
Total Sewer Fund Restricted Cash	<u>335,500</u>

Total Business-type Activities \$ 352,016

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3 - CAPITAL ASSETS

Governmental Activities:

Capital asset activity for Governmental Activities for the year ended December 31, 2019 as follows:

	Balances 01/01/19	Additions	Reductions	Balances 12/31/19
<i>GOVERNMENTAL ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 6,571,087	\$ 922,710	\$ -	\$ 7,493,797
Construction-in-Progress	-	-	-	-
Depreciable Capital Assets:				
Buildings	19,441,156	-	-	19,441,156
Improvements	4,248,300	-	-	4,248,300
Equipment & Furniture	4,829,081	162,333	(519,143)	4,472,271
Ballfields	625,541	-	-	625,541
Infrastructure	51,627,131	2,069,086	-	53,696,217
Total at Historical Cost	<u>87,342,296</u>	<u>3,154,129</u>	<u>(519,143)</u>	<u>89,977,282</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(5,983,407)	(481,815)	-	(6,465,222)
Improvements	(1,562,106)	(191,372)	-	(1,753,478)
Equipment & Furniture	(4,029,716)	(316,576)	519,143	(3,827,149)
Ballfields	(378,561)	(41,703)	-	(420,264)
Infrastructure	(20,819,644)	(2,368,853)	-	(23,188,497)
Total Accum. Depreciation	<u>(32,773,434)</u>	<u>(3,400,319)</u>	<u>519,143</u>	<u>(35,654,610)</u>
<i>GOVERNMENTAL ACTIVITIES</i>				
CAPITAL ASSETS, NET	<u>\$ 54,568,862</u>	<u>\$ (246,190)</u>	<u>\$ -</u>	<u>\$ 54,322,672</u>

For the fiscal year ending December 31, 2019, depreciation expense for governmental activities of \$3,400,319 has been included in the various functions on the statement of activities as follows:

General Government	\$ 72,066
Community Development	28,743
Public Safety	29,628
Streets and Public Works	2,589,141
Culture and Recreation	<u>680,741</u>
Total Governmental Depreciation	<u>\$ 3,400,319</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3 - CAPITAL ASSETS (continued)

Business-type Activities:

Capital asset activity for Business-Type Activities for the year ended December 31, 2019, was as follows:

	Balances 01/01/19	Additions	Reductions	Balances 12/31/19
<i>BUSINESS-TYPE ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 175,749	\$ 38,241	\$ -	\$ 213,990
Water Rights/Rights-of-Way	8,145,605	5,591,516	-	13,737,121
Work-in-Progress	7,641,943	-	(7,641,943)	-
Depreciable Capital Assets:				
Buildings	110,000	-	-	110,000
Equipment & Furniture	1,720,798	56,973	-	1,777,771
Lines, Meters, Plant	45,995,664	2,890,231	-	48,885,895
Total at Historical Cost	<u>63,789,759</u>	<u>8,576,961</u>	<u>(7,641,943)</u>	<u>64,724,777</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(55,000)	(2,750)	-	(57,750)
Equipment & Furniture	(1,563,146)	(36,739)	-	(1,599,885)
Lines, Meters, Plant	(12,621,750)	(743,081)	-	(13,364,831)
Total Accum. Depreciation	<u>(14,239,896)</u>	<u>(782,570)</u>	<u>-</u>	<u>(15,022,466)</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 49,549,863</u>	<u>\$ 7,794,391</u>	<u>\$ (7,641,943)</u>	<u>\$ 49,702,311</u>

Business type activities work-in-progress decreased as the result of L.E.D.E. reservoir being placed in service; in total \$5,591,516 was capitalized as water rights. In addition, the Mosher Hydroelectric Plant was completed; costs totaling \$2,890,231 have been capitalized as lines, meters and plant.

For the fiscal year ending December 31, 2019, depreciation expense of \$782,570 for business-type activities has been included in the various functions on the statement of activities as follows:

Water Utility	\$ 404,304
Sewer Utility	378,266
Sanitation Utility	<u>-</u>
Total Business-type Depreciation	<u>\$ 782,570</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4 - DEFERRED OUTFLOW OF RESOURCES

In the business-type activities, a loss connected with the 2000 Sewer Fund bond refunding has been deferred and is being amortized over the term of the debt issue. The following schedule summarizes the amortization of these costs.

<u>Business-Type Activities</u>	<u>Unamortized Balance 01/1/19</u>	<u>Current Year Deferred Additions</u>	<u>Current Year Amortization</u>	<u>Unamortized Balance 12/31/19</u>
Sewer Fund:				
Loss on Refunding	\$ 6,662	\$ -	\$ (4,402)	\$ 2,260
Total Business-Type Deferred Charges	\$ 6,662	\$ -	\$ (4,402)	\$ 2,260

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in the Town's long-term obligations during the fiscal year ended December 31, 2019 are as follows:

	<u>Balances 01/01/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/19</u>	<u>Amounts Due Within One Year</u>
<i>GOVERNMENTAL ACTIVITIES</i>					
<u>Notes/Leases:</u>					
Lease Purchase	\$1,924,403	\$ -	\$ (152,627)	\$1,771,776	\$ 157,326
TCF Finance	26,718	-	(26,718)	-	157,326
<i>GOVERNMENTAL LONG-TERM OBLIGATIONS</i>	<u>\$1,951,121</u>	<u>\$ -</u>	<u>\$ (179,345)</u>	<u>\$1,771,776</u>	<u>\$ 157,326</u>

Total compensated absences for governmental activities, consisting of accrued vacation and sick pay, in the amount of \$240,793 have been accrued on the financial statements and are not anticipated to be satisfied in the current period.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

	Balances			Balances	Amounts
	01/01/19	Additions	Reductions	12/31/19	Due Within
					One Year
<i>BUSINESS-TYPE ACTIVITIES</i>					
<u>Notes/Leases:</u>					
Lease Purchase \$	254,249	\$ -	\$ (20,165)	\$ 234,084	\$ 20,785
CWCB Loan	2,599,569	-	(48,146)	2,551,423	-
<u>Bonds:</u>					
Series 2009	720,000		(350,000)	370,000	370,000
Bond Premium/					
Discount	(1,825)	-	1,173	(652)	(652)
<i>BUSINESS-TYPE LONG-TERM OBLIGATIONS</i>					
	<u>\$ 3,571,993</u>	<u>\$ -</u>	<u>\$ (417,138)</u>	<u>\$ 3,154,855</u>	<u>\$ 390,133</u>

Total compensated absences for business-type activities, consisting of accrued vacation and sick pay, in the amount of \$85,385 has been accrued on the financial statements and are not anticipated to be satisfied in the current period.

The premium on the Series 2009 Sewer Revenue Refunding Bonds is being accreted over the term of the note and the remaining unamortized OID on the 2000 sewer bonds that were refinanced in 2009 are being amortized over the term of the note. The total current year net (accretion)/amortization in the amount of \$1,173 is included in the business type activities of the Sewer Utility function.

Governmental Activities:

A. Financing Lease - Series 2017 Lease Purchase Refunding Loan

The Town entered into a financing agreement dated May 23, 2017 in the amount of \$2,537,587 with Branch Bank & Trust Company, Charlotte, North Carolina. The lease purchase was conducted to refinance and refund the existing Series 2010 Certificates of Participation. The Town completed the refunding to shorten its future debt service obligation by 5 years. This refunding resulted in an economic gain (difference between the present value of the old and new debt less debt service payments) to the Town in the amount of \$315,255.

The Lease Purchase, Series 2017 interest rate is 2.50% with interest payable June 1 and December 1, and principal payments due December 1 until the year 2029. The Leased property consists of approximately 18,389 square feet, gross area, of the Gypsum, Colorado Town Hall Building. The lease is subject to annual appropriation by the Town.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Governmental Activities (continued):

B. Financing Lease - Series 2017 Lease Purchase Refunding Loan (continued)

The obligation is being carried in the Town's governmental and business-type activities. The original \$2,537,587 of debt was allocated to following funds based on the original use of the Series 2010 Certificates of Participation proceeds with \$2,241,451 to Governmental Activities and \$296,136 to Business-Type Activities.

The annual requirements to amortize the Governmental Activities portion of the Series 2017 Lease Purchase debt are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 157,326	\$ 44,294	\$ 201,620
2021	161,966	40,361	202,327
2022	165,573	36,312	201,885
2023	169,050	32,173	201,223
2024	172,393	27,947	200,340
2025-2029	<u>945,468</u>	<u>72,131</u>	<u>1,017,599</u>
Total Lease Purchase Payable – Governmental Activities	<u>\$ 1,771,776</u>	<u>\$ 253,218</u>	<u>\$ 2,024,994</u>

The debt service payments are included in the Parks and Recreation Fund.

C. Lease Payable – TCF Equipment Finance

The Town entered into a lease purchase agreement effective January 1, 2015 in the amount of \$149,567 with TCF Equipment Finance, subject to annual appropriation, interest rate of 3.39% with sixty (60) monthly payments of \$2,714 until 2019. The agreement provided for lease-purchase of three rotary mowers capitalized in general fixed assets at a cost of \$149,567 with current year depreciation of \$29,913 and accumulated depreciation in the amount of \$89,739. Expenditures for payments made on this lease are reflected as lease expense for golf course operations in the Parks and Recreation Fund. The debt service obligation was completely fulfilled in 2019.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Business-Type Activities:

A. Intergovernmental Loans - CWCB

The Town entered into a loan agreement dated July 14, 2009 between the Department of Natural Resources Colorado Water Conservation Board (CWCB) and the Town of Gypsum Water Activity Enterprises for the reconstruction of the LEDE Ditch & Reservoir upgrades. The Colorado Water Conservation Board has approved a loan with a maximum amount of \$2,689,731 for 90% of the project costs and a 1% loan service charge with interest at 4.50% per annum and a repayment term of 30 years. At December 31, 2018 the project was substantially complete. In total the Town has drawn \$2,689,731 on the loan which is secured by water user charges and fees. The loan is a 30-year loan maturing January 1, 2047 and is payable in annual installments (beginning January 1, 2018) of \$165,127. As part of the debt covenants a reserve account in the amount of one – tenth the annual payment (\$16,513) has been created. The obligation is carried in the Water Utility Enterprise business type activity and is \$2,551,423 as of December 31, 2019. The Town's annual debt service is as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ -	\$ -
2021	50,313	114,814	165,127
2022	52,577	112,550	165,127
2023	54,943	110,184	165,127
2024	57,415	107,712	165,127
2025-2029	328,236	497,398	825,634
2030-2034	409,042	416,592	825,634
2035-2039	509,741	315,893	825,634
2040-2044	635,230	190,404	825,634
2045-2047	453,926	41,452	495,378
	<u>\$ 2,551,423</u>	<u>\$ 1,906,999</u>	<u>\$ 4,458,422</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Business-type Activities (continued):

B. Financing Lease Payable- Series 2017 Lease Purchase Refunding Loan -

As described above, the Town entered into a financing agreement with Branch Bank & Trust Company on May 23, 2017 to refund the Series 2010 Certificates of Participation. The debt has been allocated based on the original use of the funding proceeds. The \$296,136 allocation represents the Water Fund portion of the \$2,537,587 total debt obligation.

The annual requirements to amortize the Business-type portion of the Series 2017 Lease Purchase debt are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,786	\$ 5,852	\$ 26,638
2021	21,399	5,332	26,731
2022	21,875	4,797	26,672
2023	22,335	4,251	26,586
2024	22,776	3,693	26,479
2025-2029	<u>124,913</u>	<u>9,530</u>	<u>134,443</u>
Total Lease Purchase Payable – Business-type Activities	<u>\$ 234,084</u>	<u>\$ 33,455</u>	<u>\$ 267,549</u>

C. Sewer Revenue Refunding Bonds, Series 2009

The Town issued \$3,355,000 of Sewer Revenue Refunding Bonds dated November 17, 2009 for the purpose of refunding the District's outstanding Sewer Revenue Refunding Bonds, Series 2000, and paying the costs of issuance. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$193,318. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being amortized and charged to operations through the year 2020 using the effective-interest method. The Town completed the advance refunding to reduce its total debt service payments through December 1, 2020 by \$684,027 and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$291,919.

Interest rates range from 2.25% to 4.00% payable semiannually on June 1 and December 1, with annual principal payments through December 1, 2020, unless the bonds are redeemed earlier. The bonds are subject to redemption prior to maturity at the option of the Town, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2015 and on any payment date thereafter upon payment of par and accrued interest, without a redemption premium. The bonds are sewer revenue bonds, payable solely from net revenues derived by the Town from operation of the wastewater treatment system. Current year net service revenues (as defined in the bond issue) in the Sewer Fund were \$906,316 compared to the debt service requirement in the amount of \$378,300.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Business-type Activities (continued):

C. Sewer Revenue Refunding Bonds, Series 2009 - continued

The obligation is carried in the Town's Sewer Utility enterprise business-type activity. The Town's annual debt service is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 370,000	\$ 14,800	\$ 384,800
Total Bonds Payable – Business Type Activities	<u>\$ 370,000</u>	<u>\$ 14,800</u>	<u>\$ 384,800</u>

NOTE 6 - OPERATING LEASE COMMITMENTS

- A. The Town leases a vehicle under a four-year agreement, subject to annual appropriation. Monthly payments are \$490, expiring February 21, 2020. Rent expense amounted to \$5,885 during 2019. Future minimum lease payments of the Town's long-term operating lease are as follows:

2020	\$ 980
Total	<u>\$ 980</u>

- B. The Town leases 70 golf carts from Yamaha Motor Finance Corporation, U.S.A. under a 45-month operating lease agreement effective February 1, 2016, subject to annual appropriation. Payments are scheduled during golf course operating months of April through September (24-month payment period). The rent expense for 2019 amounted to \$45,936. The lease obligation expired in 2019 and is expected to be renewed in 2020.

NOTE 7 - DEFERRED COMPENSATION PLAN

In 1998 the Town adopted a Deferred Compensation Plan (Plan) within the scope of Section 457 of the Internal Revenue Code. The Colorado County Officials and Employees Retirement Association (CCOERA) administer the Plan. All assets of the Plan are held in the CCOERA Deferred Compensation Plan Trust (Trust) for the exclusive benefit of participants and their beneficiaries. CCOERA is trustee of the Trust. The Plan is funded through employee contributions and the Town has no legal obligation for paying benefits. All regular, permanent and full-time employees of the Town are eligible to participate in the Plan. Eligible employees may participate in the Plan on the first day of the month following commencement of employment with the Town.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 8 - MONEY PURCHASE PENSION PLAN

In 1998 the Town adopted a defined contribution Money Purchase Pension Plan (Plan) within the scope of Section 401(a) of the Internal Revenue Code to provide retirement benefits exclusively for the participants and their beneficiaries. The Colorado County Officials and Employees Retirement Association (CCOERA) is the Trustee for plan assets held in the CCOERA Money Purchase Pension Plan Trust (Trust). Pension expense is recognized equal to contributions that the terms of the plan require in return for employee service in that year, as reduced by forfeitures under the plan. There are no forfeiture provisions from employee accounts under the plan beyond vesting as described in the following paragraph, and the Town has no legal obligation for paying benefits.

Full-time employees become eligible after six months of service with the Town and are required, as a condition of employment, to participate in the Plan immediately upon eligibility. Through payroll withholdings remitted to CCOERA, employees contribute 7% of regular compensation which totaled \$174,512 during the year. The Town contributes a matching 7% of eligible compensation which was \$174,512 during the current fiscal year. Total covered payroll for the year subject to participation was \$2,493,029 compared to total payroll of \$3,214,568. Participants are 33 1/3% vested in employer contributions each year with 100% vesting after three years. The Town has no other liability under the plan.

Additional information can be obtained from the separately issued CCOERA financial statements by contacting CCOERA at 1666 South University Boulevard, Denver, CO 80210 or (303) 698-0313.

NOTE 9 - COMMITMENTS

- A. Cost Recovery Agreements Water and Sewer Taps – The Town has entered into subdivision improvement agreements with various land developers. Some of the agreements contain provisions that provide for payments to the developers for portions of water and sewer tap fees that will be collected by the Town. No obligations exist and a liability is not recorded until the Town actually collects the tap fees.
- B. During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives consider the majority of claims or assertions to be without merit and believe the outcome will not materially affect the fairness of the presentation of the financial statements at December 31, 2019.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 11 - RISK MANAGEMENT

The Town is exposed to the risk of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by an intergovernmental agreement of 163 municipalities to provide property, general and automobile liability, public official, and workers compensation coverage to its members. A seven-member Board elected by and from its members governs CIRSA. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts that are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

There is no current or long-term debt outstanding and the above liabilities include reserves for incurred claims and an estimated liability for incurred but not reported claims at December 31, 2019. No claim or judgment liability has been recorded in the Town's financial statements as the risk of liability is pooled with other members under CIRSA. The Town's settled claims have not exceeded their insurance coverage in any of the last three years. Additional information may be obtained from separately issued CIRSA financial statements by contacting CIRSA at 950 South Cherry Street, Suite 800, Denver, CO 80246 or (303) 757-5475.

NOTE 12- INTERGOVERNMENTAL AGREEMENTS

Gypsum Community Recreation Center Agreement

The Town and Mountain Recreation District entered into an agreement for the construction, ownership and operation of a community recreation facility located in Gypsum, Colorado. The District is responsible for the operation and maintenance of the community recreation center and the Town retains full fee simple title to the community center and community center site. In 2019, the Recreation Center encountered a deficit in operations; therefore, as stated in the agreement, a contribution equal to one-half of the operating deficit, \$125,111 has been accrued and will be paid to the District for the fiscal year ended December 31, 2019, the expenditure is reflected in the General Fund.

NOTE 13 - COMPLIANCE

A. TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which imposes several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. In 1994, the Town's electorate voted to allow the Town to collect, retain, and expend revenues notwithstanding any of TABOR's restrictions.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 13 - COMPLIANCE (continued)

A. TABOR Amendment - continued

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding voter approved debt service). The required reserve at December 31, 2019 is \$332,000.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the Amendment. However, the entity has made certain interpretations of the Amendment's language in order to determine its compliance.

B. Sewer Revenue Bond Covenants

The Town was in compliance with both the rate covenant and the minimum reserve fund covenant.

C. Colorado Water Conservation Board Loan Covenants

The Town was in compliance with the minimum reserve fund requirements.

D. Aviation Fuel Sales Tax

The Aviation Fuel Tax Calculation Report and tracking of related revenue and expenditures has been prepared by management and is in compliance with the FAA Revenue Use Policy. No liabilities exist at December 31, 2019.

E. Contraband

The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses the accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2019 no such proceeds were received by the Town and as such are not included in the Town's audited financial statements.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2019 through the issuance date of this report. In early 2020 a worldwide pandemic arose caused by the coronavirus Covid-19 which has negatively impacted the general operations of the Town during the first several months of 2020. The Town's management and Town Council has acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor's report. There have been no additional material events noted during this period that would impact the result reflected in this report or the Town's results going forward.

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Taxes	\$ 7,206,720	\$ 8,263,804	\$ 8,402,025	\$ 138,221
Licenses and Permits	53,000	54,125	47,948	(6,177)
Intergovernmental	410,000	489,000	487,672	(1,328)
Charges for Services	77,000	73,600	79,297	5,697
Community Development	419,270	728,351	811,940	83,589
Miscellaneous	175,150	223,761	238,870	15,109
Sale of Fixed Assets	-	-	-	-
Interest	75,010	100,010	111,009	10,999
Total Revenues	8,416,150	9,932,651	10,178,761	246,110
<u>Expenditures:</u>				
General Government	1,649,219	1,959,124	1,847,013	112,111
Community Development	1,084,293	1,035,893	979,912	55,981
Public Safety	1,074,130	1,060,630	1,036,207	24,423
Streets and Public Works	3,675,444	3,527,764	3,354,896	172,868
Culture and Recreation	1,363,224	1,105,248	1,029,235	76,013
Economic Development	311,700	317,945	194,859	123,086
Capital Outlay	458,500	1,524,986	1,480,090	44,896
Total Expenditures	9,616,510	10,531,590	9,922,212	609,378
Excess Revenues Over (Under) Expenditures	(1,200,360)	(598,939)	256,549	855,488
<u>Other Financing Sources and (Uses):</u>				
Transfers from Other Funds	-	-	-	-
Transfers (to) Other Funds	(629,000)	(631,000)	(631,000)	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,829,360)	(1,229,939)	(374,451)	855,488
Fund Balances – Beginning	3,882,005	4,626,627	4,885,856	259,229
Fund Balances – Ending	\$ 2,052,645	\$ 3,396,688	\$ 4,511,405	\$ 1,114,717

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Intergovernmental	\$ 35,000	\$ 41,000	\$ 41,213	\$ 213
Interest	<u>100</u>	<u>800</u>	<u>894</u>	<u>94</u>
Total Revenues	<u>35,100</u>	<u>41,800</u>	<u>42,107</u>	<u>307</u>
<u>Expenditures:</u>				
Culture and Recreation:				
Capital Outlay	<u>37,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>37,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	(2,593)	41,800	42,107	307
Fund Balances – Beginning	<u>2,593</u>	<u>23,336</u>	<u>23,336</u>	<u>-</u>
Fund Balances – Ending	<u><u>\$ -</u></u>	<u><u>\$ 65,136</u></u>	<u><u>\$ 65,443</u></u>	<u><u>\$ 307</u></u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND - PARKS AND RECREATION FUND
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Charges for Services	\$ 825,000	\$ 777,510	\$ 776,434	\$ (1,076)
Sale of Assets	0	6,500	6,500	-
Interest	3,000	2,500	2,145	(355)
Total Revenues	828,000	786,510	785,079	(1,431)
<u>Expenditures:</u>				
Golf Course Operations	1,150,341	1,105,625	1,096,071	9,554
Capital Outlay	98,000	86,400	88,659	(2,259)
Debt Service:				
Principal	152,627	152,627	152,627	-
Interest	48,110	48,110	48,110	-
Total Expenditures	1,449,078	1,392,762	1,385,467	7,295
Excess Revenues Over (Under) Expenditures	(621,078)	(606,252)	(600,388)	5,864
<u>Other Financing Sources and (Uses):</u>				
Transfer from Other Funds	543,000	543,000	543,000	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(78,078)	(63,252)	(57,388)	5,864
Fund Balances – Beginning	114,184	154,574	180,378	25,804
Fund Balances – Ending	\$ 36,106	\$ 91,322	\$ 122,990	\$ 31,668

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – HIGHWAY 6 DEVOLUTION
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Interest	\$ 177,000	\$ 240,000	\$ 223,351	\$ (16,649)
Total Revenues	<u>177,000</u>	<u>240,000</u>	<u>223,351</u>	<u>(16,649)</u>
<u>Expenditures:</u>				
Repairs and Maintenance	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	177,000	240,000	223,351	(16,649)
 Fund Balances – Beginning	 <u>10,299,687</u>	 <u>10,305,256</u>	 <u>10,305,256</u>	 <u>-</u>
Fund Balances – Ending	<u>\$ 10,476,687</u>	<u>\$ 10,545,256</u>	<u>\$ 10,528,607</u>	<u>\$ (16,649)</u>

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

OTHER SUPPLEMENTAL INFORMATION

GOVERNMENTAL FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES & OTHER FINANCING SOURCES:				
GENERAL GOVERNMENT:				
<u>Taxes</u>				
General Property	\$ 706,220	\$ 706,304	\$ 704,410	\$ (1,894)
Specific Ownership	33,000	37,000	38,125	1,125
Franchise	250,000	261,000	261,708	708
Sales and Use	5,700,000	6,245,000	6,322,317	77,317
Real Estate Transfer	500,000	1,000,000	1,059,851	59,851
Cigarette	<u>17,500</u>	<u>14,500</u>	<u>15,614</u>	<u>1,114</u>
TOTAL TAXES	<u>7,206,720</u>	<u>8,263,804</u>	<u>8,402,025</u>	<u>138,221</u>
<u>Licenses and Permits</u>				
Liquor and Business	<u>53,000</u>	<u>54,125</u>	<u>47,948</u>	<u>(6,177)</u>
TOTAL LICENSES AND PERMITS	<u>53,000</u>	<u>54,125</u>	<u>47,948</u>	<u>(6,177)</u>
<u>Intergovernmental Revenues</u>				
Highway Users Tax	285,000	360,000	354,170	(5,830)
County Road and Bridge Tax	90,000	92,000	93,841	1,841
Motor Vehicle Tax	<u>35,000</u>	<u>37,000</u>	<u>39,661</u>	<u>2,661</u>
TOTAL INTERGOVERNMENTAL	<u>410,000</u>	<u>489,000</u>	<u>487,672</u>	<u>(1,328)</u>
<u>Administrative Charges</u>				
Reimbursements and Rentals	8,500	8,300	7,156	(1,144)
Miscellaneous Admin Charges	<u>68,500</u>	<u>65,300</u>	<u>72,141</u>	<u>6,841</u>
TOTAL ADMINISTRATIVE CHARGES	<u>77,000</u>	<u>73,600</u>	<u>79,297</u>	<u>5,697</u>
COMMUNITY DEVELOPMENT:				
Variance and Subdivision	7,500	11,975	12,725	750
Building Permits	252,170	419,495	435,837	16,342
Impact fees	34,600	96,881	95,272	(1,609)
Reimbursed Professional Fees	75,000	145,000	209,765	64,765
Capital Contribution	-	-	-	-
Community Enhancement Fund	<u>50,000</u>	<u>55,000</u>	<u>58,341</u>	<u>3,341</u>
TOTAL COMMUNITY DEV CHARGES	<u>419,270</u>	<u>728,351</u>	<u>811,940</u>	<u>83,589</u>
MISCELLANEOUS REVENUES:				
Municipal Court - Violations	38,100	43,600	43,817	217
Special Events	103,000	97,497	95,758	(1,739)
Miscellaneous	34,050	77,387	94,018	16,631
Sale of Fixed Assets	-	5,277	5,277	-
Interest Income	<u>75,010</u>	<u>100,010</u>	<u>111,009</u>	<u>10,999</u>
TOTAL MISC/OTHER REVENUES	<u>250,160</u>	<u>323,771</u>	<u>349,879</u>	<u>26,108</u>
OTHER FINANCING SOURCES:				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND				
OTHER FINANCING SOURCES	<u>\$ 8,416,150</u>	<u>\$ 9,932,651</u>	<u>\$ 10,178,761</u>	<u>\$ 246,110</u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES AND OTHER FINANCING USES:				
GENERAL GOVERNMENT:				
Salaries	\$ 525,000	\$ 578,000	\$ 585,603	\$ (7,603)
Payroll Taxes	41,700	45,750	45,087	663
Employee Benefits	156,121	171,056	130,787	40,269
Office Supplies	12,000	12,000	10,977	1,023
Utilities and Telephone	86,650	91,050	89,713	1,337
Professional Services	365,220	584,850	548,753	36,097
Auto and Travel	7,500	8,383	8,913	(530)
Equipment and Ground Maintenance	90,100	90,100	88,461	1,639
Professional Development	26,000	26,000	25,503	497
Council Compensation	-	-	120	(120)
Economic and Public Relations	10,000	10,000	10,684	(684)
Publications	7,500	5,000	4,547	453
Insurance	182,293	184,000	184,671	(671)
Community Support/Contributions	96,735	96,735	61,767	34,968
County Treasurer's Fees	15,700	17,500	17,338	162
Miscellaneous	26,700	38,700	34,089	4,611
TOTAL GENERAL GOVERNMENT	<u>1,649,219</u>	<u>1,959,124</u>	<u>1,847,013</u>	<u>112,111</u>
COMMUNITY DEVELOPMENT:				
Salaries	670,000	621,000	608,824	12,176
Payroll Taxes	49,700	49,700	46,623	3,077
Employee Benefits	181,593	181,593	171,041	10,552
Supplies	-	7,000	6,740	260
Professional Services	149,800	150,000	126,422	23,578
Auto and Travel	2,500	2,500	1,507	993
Equipment Maintenance	9,500	3,600	997	2,603
Professional Development	7,000	7,000	6,252	748
Wildlife Mitigation	-	-	-	-
Miscellaneous	14,200	13,500	11,506	1,994
TOTAL COMMUNITY DEVELOPMENT	<u>1,084,293</u>	<u>1,035,893</u>	<u>979,912</u>	<u>55,981</u>
PUBLIC SAFETY:				
Law Enforcement Contract	957,630	957,630	957,211	419
Animal Control Contract	51,500	51,500	50,290	1,210
Municipal Court Expenses	45,000	30,000	10,899	19,101
Equipment Maintenance	15,000	17,000	17,043	(43)
Utilities	1,500	1,000	764	236
Miscellaneous	3,500	3,500	-	3,500
TOTAL PUBLIC SAFETY	<u>1,074,130</u>	<u>1,060,630</u>	<u>1,036,207</u>	<u>24,423</u>

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>(continued)</i>				
STREETS AND PUBLIC WORKS:				
Salaries	\$ 566,000	\$ 567,000	\$ 514,854	\$ 52,146
Payroll Taxes	44,850	44,850	38,090	6,760
Employee Benefits	206,714	206,714	177,705	29,009
Supplies	10,500	18,500	22,514	(4,014)
Utilities	40,750	40,750	43,886	(3,136)
Road and Bridge Maintenance	2,627,130	2,425,000	2,365,771	59,229
Street Lighting Maintenance	42,500	42,500	34,396	8,104
Building and Grounds Maintenance	20,000	20,000	11,351	8,649
Equipment Maintenance	73,500	118,500	128,948	(10,448)
Miscellaneous	43,500	43,950	17,381	26,569
TOTAL STREETS AND PUBLIC WORKS	3,675,444	3,527,764	3,354,896	172,868
CULTURE AND RECREATION:				
Salaries	404,000	339,040	337,892	1,148
Payroll Taxes	35,850	32,040	26,464	5,576
Employee Benefits	109,857	88,140	63,647	24,493
Parks Maintenance	56,000	66,700	58,346	8,354
Amphitheater	5,800	5,800	5,759	41
Golf Course Facility Maintenance	1,000	1,000	130	870
Mosquito Control	25,597	25,597	26,397	(800)
Special Events	392,120	364,881	358,105	6,776
Subsidy to Mtn. Recreation	50,000	153,050	125,111	27,939
Miscellaneous	283,000	29,000	27,384	1,616
TOTAL CULTURE AND RECREATION	1,363,224	1,105,248	1,029,235	76,013
ECONOMIC DEVELOPMENT:				
Enhancement Fund Reserve	50,000	55,000	-	55,000
Wildlife Mitigation	18,000	22,245	-	22,245
Recycling Center	4,200	4,200	4,200	-
Economic Development	239,500	236,500	190,659	45,841
TOTAL ECONOMIC DEVELOPMENT	311,700	317,945	194,859	123,086
CAPITAL OUTLAY:				
General Government	48,000	1,102,986	1,095,594	7,392
Community Development	35,500	35,500	28,755	6,745
Public Safety	60,000	60,000	56,608	3,392
Streets and Public Works	168,500	176,500	162,859	13,641
Culture and Recreation	146,500	150,000	136,274	13,726
TOTAL CAPITAL OUTLAY	458,500	1,524,986	1,480,090	44,896
OTHER FINANCING USES:				
Transfers to Other Funds	629,000	631,000	631,000	-
TOTAL OTHER FINANCING USES	629,000	631,000	631,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 10,245,510	\$ 11,162,590	\$ 10,553,212	\$ 609,378

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>General Revenues</u>				
Interest Income	\$ 3,000	\$ 2,500	\$ 2,145	\$ (355)
Total General Revenues	<u>3,000</u>	<u>2,500</u>	<u>2,145</u>	<u>(355)</u>
GOLF COURSE ACTIVITIES:				
<u>Charges for Services</u>				
Annual Passes	120,000	120,000	124,965	4,965
Beverage Cart Sales	500	500	397	(103)
Cart Rentals	65,000	47,657	47,148	(509)
Green Fees	400,000	375,768	376,013	245
Merchandise Sales	80,000	94,740	94,511	(229)
Packaged Food Resale	4,000	2,815	2,810	(5)
Restaurant Rental	62,500	54,000	50,280	(3,720)
Utility Reimbursement	18,000	19,500	20,489	989
Other Revenue	75,000	62,530	59,821	(2,709)
Total Charges for Services	<u>825,000</u>	<u>777,510</u>	<u>776,434</u>	<u>(1,076)</u>
OTHER FINANCING SOURCES:				
Transfers from Other Funds	543,000	543,000	543,000	-
Sale of Assets	-	6,500	6,500	-
Total Other Financing Sources	<u>543,000</u>	<u>549,500</u>	<u>549,500</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 1,371,000</u></u>	<u><u>\$ 1,329,510</u></u>	<u><u>\$ 1,328,079</u></u>	<u><u>\$ (1,431)</u></u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GOLF COURSE ACTIVITIES:				
<u>Pro Shop</u>				
Salaries	\$ 189,000	\$ 196,000	\$ 201,938	\$ (5,938)
Taxes	15,000	15,000	15,163	(163)
Benefits	51,202	27,102	26,956	146
Dues and Permits	6,000	6,800	6,892	(92)
Education	3,000	1,000	604	396
Supplies	19,200	14,700	11,182	3,518
Resale Items	71,700	71,720	75,875	(4,155)
Repairs and Maintenance	18,000	22,500	19,287	3,213
Total Pro Shop	<u>373,102</u>	<u>354,822</u>	<u>357,897</u>	<u>(3,075)</u>
<u>Driving Range</u>				
Supplies	15,000	9,000	7,368	1,632
Total Driving Range	<u>15,000</u>	<u>9,000</u>	<u>7,368</u>	<u>1,632</u>
<u>Cart Department</u>				
Salaries	54,000	56,500	56,574	(74)
Taxes	5,000	5,000	4,357	643
Benefits	170	170	157	13
Supplies	750	750	601	149
Repairs and Maintenance	15,000	13,685	13,563	122
Operating Lease	46,000	46,000	45,936	64
Total Cart Department	<u>120,920</u>	<u>122,105</u>	<u>121,188</u>	<u>917</u>
<u>Course and Maintenance</u>				
Salaries	260,100	260,100	263,477	(3,377)
Taxes	19,000	20,000	20,039	(39)
Benefits	44,093	47,175	44,927	2,248
Dues and Permits	1,500	1,500	1,428	72
Education	3,000	3,000	2,447	553
Supplies	64,500	53,150	52,218	932
Repairs and Maintenance	49,500	42,750	41,443	1,307
Equipment Rental	4,000	5,080	5,080	-
Utilities	29,850	29,000	25,095	3,905
Capital Lease	29,000	27,500	27,407	93
Total Course and Maintenance	<u>504,543</u>	<u>489,255</u>	<u>483,561</u>	<u>5,694</u>

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2019

(continued)

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Administration</u>				
Advertising and Promotion	\$ 40,700	\$ 35,700	\$ 32,493	\$ 3,207
Benefits	11,676	10,793	10,278	515
Bank Charges	13,400	13,400	14,007	(607)
Office Supplies & Dues	14,900	10,100	8,273	1,827
Equipment Repairs and Maintenance	12,000	14,000	16,576	(2,576)
Miscellaneous	1,000	1,850	1,931	(81)
Operating Lease	1,600	1,600	881	719
Total Administration	<u>95,276</u>	<u>87,443</u>	<u>84,439</u>	<u>3,004</u>
<u>Facility Expenses</u>				
Facility Repairs and Maintenance	3,500	1,000	1,375	(375)
Utilities	<u>38,000</u>	<u>42,000</u>	<u>40,243</u>	<u>1,757</u>
Total Facility	<u>41,500</u>	<u>43,000</u>	<u>41,618</u>	<u>1,382</u>
 TOTAL GOLF COURSE EXPENDITURES	 <u>1,150,341</u>	 <u>1,105,625</u>	 <u>1,096,071</u>	 <u>9,554</u>
 CAPITAL OUTLAY:				
Golf Course	<u>98,000</u>	<u>86,400</u>	<u>88,659</u>	<u>(2,259)</u>
TOTAL CAPITAL OUTLAY	<u>98,000</u>	<u>86,400</u>	<u>88,659</u>	<u>(2,259)</u>
 DEBT SERVICE:				
Principal	152,627	152,627	152,627	
Interest	<u>48,110</u>	<u>48,110</u>	<u>48,110</u>	<u>-</u>
TOTAL DEBT SERVICES	<u>200,737</u>	<u>200,737</u>	<u>200,737</u>	<u>-</u>
 TOTAL EXPENDITURES AND OTHER FINANCING USES	 <u>\$ 1,449,078</u>	 <u>\$ 1,392,762</u>	 <u>\$ 1,385,467</u>	 <u>\$ 7,295</u>

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

OTHER SUPPLEMENTAL INFORMATION

PROPRIETARY (ENTERPRISE) FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – WATER ENTERPRISE FUND
For the Year Ended December 31, 2019

	Water Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Service Fees	\$ 1,100,000	\$ 1,100,000	\$ 1,095,079	\$ (4,921)
Other Revenues	90,300	58,494	115,377	56,883
Tap Fees	200,000	720,000	749,682	29,682
Dedication Fees	100,000	240,000	244,142	4,142
Interest Income	60,000	89,000	85,752	(3,248)
Developer Contributions	-	36,540	21,417	(15,123)
CWRPD Hydro Grant	-	42,500	42,500	-
Total Budgetary Based Revenues	1,550,300	2,286,534	2,353,949	67,415
<u>Expenditures:</u>				
System Operations:				
Salaries	302,000	324,000	323,656	344
Payroll Taxes	23,900	23,950	25,379	(1,429)
Employee Benefits	94,438	94,438	91,797	2,641
Utilities	57,800	83,550	105,005	(21,455)
Operating Supplies	40,750	52,800	51,662	1,138
Repairs and Maintenance	811,000	117,000	65,353	51,647
System Component Upgrades	21,172	30,172	13,133	17,039
Water Purchase	27,000	27,000	26,850	150
Eagle River Monitoring	11,500	11,500	11,500	-
Miscellaneous	19,000	19,200	14,857	4,343
Administration:				
Salaries	57,200	57,200	57,101	99
Payroll Taxes	5,185	5,185	4,408	777
Employee Benefits	15,460	15,424	11,274	4,150
Office and Billing	8,000	8,000	8,976	(976)
Dues and Permits	2,900	2,900	2,827	73
Professional Services	384,606	357,681	106,398	251,283
Debt Services:				
Principal	68,311	68,311	68,311	-
Interest	123,337	123,337	123,337	-
Capital Outlay/Noncap Outlay	637,500	973,600	789,712	183,888
Total Budgetary Based Expenditures	2,711,059	2,395,248	1,901,536	493,712
Budgetary Based Net Income (Loss)	(1,160,759)	(108,714)	452,413	561,127
Beginning Available Funds	2,906,031	3,358,374	3,594,597	236,223
Ending Available Funds	\$ 1,745,272	\$ 3,249,660	\$ 4,047,010	\$ 797,350

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SEWER ENTERPRISE FUND
For the Year Ended December 31, 2019

	Sewer Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Service Fees	\$ 872,000	\$ 896,500	\$ 906,316	\$ 9,816
Tap Fees	200,000	790,000	854,595	64,595
Interest Income	30,000	56,000	55,845	(155)
Other Revenues	700	700	680	(20)
<u>Other Financing Sources and Uses:</u>				
Transfer from General Fund	86,000	88,000	88,000	-
Total Budgetary Based Revenues	1,188,700	1,831,200	1,905,436	74,236
<u>Expenditures:</u>				
System Operations:				
Salaries	204,000	209,500	203,408	6,092
Payroll Taxes	15,575	15,600	16,018	(418)
Employee Benefits	78,890	78,890	62,867	16,023
Utilities	97,700	101,200	101,537	(337)
Operating Supplies	27,850	37,850	36,777	1,073
Repairs and Maintenance	186,500	214,000	237,625	(23,625)
Miscellaneous	375,000	3,000	614	2,386
Administration:				
Salaries	40,200	40,200	39,400	800
Payroll Taxes	4,120	4,120	3,045	1,075
Employee Benefits	10,035	10,035	8,784	1,251
Office and Billing	8,000	9,000	8,443	557
Dues and Permits	2,500	2,500	-	2,500
Professional Services	44,500	9,500	8,642	858
Miscellaneous	1,000	1,000	-	1,000
Debt Services:				
Principal	350,000	350,000	350,000	-
Interest	29,175	29,175	28,800	375
Capital Outlay	99,000	475,509	242,208	233,301
Total Budgetary Based Expenditures	1,574,045	1,591,079	1,348,168	242,911
Budgetary Based Net Income (Loss)	(385,345)	240,121	557,268	317,147
Beginning Available Funds	1,943,145	2,422,872	2,428,249	5,377
Ending Available Funds	\$ 1,577,800	\$ 2,662,993	\$ 2,985,517	\$ 322,524

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SANITATION ENTERPRISE FUND
For the Year Ended December 31, 2019

	Sanitation Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Service Fees	\$ 317,000	\$ 324,000	\$ 325,125	\$ 1,125
Interest Income	1,000	8,000	7,666	(334)
Reimbursable	2,500	-	-	-
Total Budgetary Based Revenues	320,500	332,000	332,791	791
<u>Expenditures:</u>				
System Operations:				
Salaries	89,100	89,700	83,794	5,906
Payroll Taxes	7,050	7,290	7,869	(579)
Employee Benefits	35,497	35,497	32,073	3,424
Supplies	5,500	5,500	5,027	473
Repairs and Maintenance	26,000	30,500	28,528	1,972
Landfill Fees	81,000	81,000	79,817	1,183
Administration:				
Salaries	28,190	28,190	28,872	(682)
Payroll Taxes	2,180	2,190	2,219	(29)
Employee Benefits	9,797	9,797	6,184	3,613
Office and Billing	8,000	8,000	8,977	(977)
Capital Outlay	300,000	300,000	-	300,000
Total Budgetary Based Expenditures	592,314	597,664	283,360	314,304
Budgetary Based Net Income (Loss)	(271,814)	(265,664)	49,431	315,095
Beginning Available Funds	329,419	354,613	354,614	1
Ending Available Funds	\$ 57,605	\$ 88,949	\$ 404,045	\$ 315,096

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUNDS

TOWN OF GYPSUM, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY CASH BALANCES – BUDGETARY BASIS
AGENCY FUND – GYPSUM RECREATION CENTER CAPITAL COMMITTEE
For the Year Ended December 31, 2019

<u>Gypsum Recreation Center Capital Committee</u>	
<i>[NOTE: The Town of Gypsum does not adopt a budget for this agency fund]</i>	<u>Actual</u>
<u>ADDITIONS:</u>	
Contributions from Town of Gypsum	\$ 50,000
Contributions from WECMRD	<u>50,000</u>
Total Additions	<u>100,000</u>
<u>DEDUCTIONS:</u>	
Capital Repairs & Maintenance	<u>54,380</u>
Total Deductions	<u>54,380</u>
Net Change in Fiduciary Funds Held on Behalf of Entity	45,620
Beginning Fiduciary Funds Held on Behalf of Entity	<u>39,331</u>
Ending Fiduciary Funds Held on Behalf of Entity	<u>\$ 84,951</u>

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

ANNUAL STATEMENT OF RECEIPTS AND
EXPENDITURES FOR ROADS, BRIDGES AND STREETS

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Gypsum	
		YEAR ENDING: December 31, 2019	
This Information from The Records of Town of Gypsum, Colorado		Prepared By: Phone:	Mark Silverthorn 970-524-1725

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)	2,355,554
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	551,060
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	53,754
2. General fund appropriations	3,973,807	b. Snow and ice removal	320,747
3. Other local imposts (from page 2)	131,966	c. Other	0
4. Miscellaneous local receipts (from page 2)	264,820	d. Total (a. through c.)	274,501
5. Transfers from toll facilities	0	4. General administration & miscellaneous	228,333
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,031,626
a. Bonds - Original Issues	0	6. Total (1 through 5)	4,541,074
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	4,370,593	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	393,832	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	4,764,425	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	4,541,074

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)		0	0	
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
	10,305,256	4,764,425	4,541,074	10,528,607	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING 12/19: 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	0	a. Interest on investments	223,351
b. Other local imposts:		b. Traffic Fines & Penalties	36,181
1. Sales Taxes & Use Tax	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	5,288
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	131,966	g. Other Misc. Receipts	0
6. Total (1. through 5.)	131,966	h. Other Road & Bridge Tax	0
c. Total (a. + b.)	131,966	i. Total (a. through h.)	264,820
	(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	354,171	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	39,661	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	39,661	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	393,832	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	0	0
b. Engineering Costs	0		
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	2,069,086	2,069,086
(3). System Preservation	0	286,468	286,468
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,355,554	2,355,554
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,355,554	2,355,554
			(Carry forward to page 1)

Notes and Comments: