

**TOWN OF GEORGETOWN, COLORADO**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2020**

# TABLE OF CONTENTS

## PAGE

### INTRODUCTORY SECTION

Title Page

Table of Contents

### FINANCIAL SECTION

Independent Auditors' Report

#### **Basic Financial Statements**

Government – Wide Financial Statements

Statement of Net Position 1

Statement of Activities 2

Fund Financial Statements

Balance Sheet – Governmental Funds 3

Statement of Revenues, Expenditures and Changes in Fund Balances –  
Governmental Funds 4

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities 5

Statement of Net Position – Proprietary Fund Type 6

Statement of Revenues, Expenses and Changes in Net Position –  
Proprietary Fund Type 7

Statement of Cash Flows – Proprietary Fund Type 8

Notes to Financial Statements 9 – 32

**TABLE OF CONTENTS**  
(Continued)

	<b><u>PAGE</u></b>
<b>FINANCIAL SECTION</b> (Continued)	
<b>Required Supplementary Information</b>	
General Fund – Budgetary Comparison Statement	33
Schedule of the Town’s Proportionate Share	34
Schedule of the Town’s Contributions	35
<b>Combining and Individual Fund Schedules</b>	
Combining Balance Sheet – Nonmajor Governmental Funds	36
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	37
Conservation Trust Fund – Budgetary Comparison Schedule	38
Town Promotion Fund – Budgetary Comparison Schedule	39
Sales Tax Fund – Budgetary Comparison Statement	40
Water Fund – Budgetary Comparison Schedule	41
Sewer Fund – Budgetary Comparison Schedule	42
<b>COMPLIANCE</b>	
Local Highway Finance Report	43 - 44

## FINANCIAL SECTION



# JOHN CUTLER & ASSOCIATES

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

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of the Town's proportionate share, and the schedule of the Town's contributions on pages 33 - 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not affected by this missing information.

### *Other Information*

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

*John Cutler & Associates, LLC*

July 31, 2021

## **BASIC FINANCIAL STATEMENTS**

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS	TOTALS	
		TYPE ACTIVITIES	2020	2019
<b>ASSETS</b>				
Cash and Investments	\$ 1,476,290	\$ 2,377,007	\$ 3,853,297	\$ 3,024,627
Receivables				
Property Taxes	219,006	-	219,006	214,164
Accounts	28,798	130,781	159,579	316,551
Due From Other Governments	220,941		220,941	226,745
Inventory	-	5,583	5,583	10,046
Net Pension Asset	13,669	-	13,669	-
Capital Assets, Not Depreciated	1,188,756	7,500	1,196,256	2,645,897
Capital Assets, Depreciated Net of Accumulated Depreciation	3,329,198	12,944,176	16,273,374	15,233,672
<b>TOTAL ASSETS</b>	<b>6,476,658</b>	<b>15,465,047</b>	<b>21,941,705</b>	<b>21,671,702</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Related to Pensions	109,643	-	109,643	135,741
<b>LIABILITIES</b>				
Accounts Payable	52,021	12,922	64,943	144,685
Retainage Payable	68,357	-	68,357	42,792
Accrued Salaries and Benefits	9,948	9,197	19,145	32,669
Accrued Interest	-	43,798	43,798	45,667
Net Pension Liability	-	-	-	33,723
Noncurrent Liabilities				
Due within One Year	46,630	366,078	412,708	389,603
Due in More Than One Year	188,488	3,965,947	4,154,435	4,584,128
<b>TOTAL LIABILITIES</b>	<b>365,444</b>	<b>4,397,942</b>	<b>4,763,386</b>	<b>5,273,267</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	219,006	-	219,006	214,164
Related to Pensions	21,757	-	21,757	35,514
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>240,763</b>	<b>-</b>	<b>240,763</b>	<b>249,678</b>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	4,282,836	8,621,323	12,904,159	12,907,510
Restricted for Parks and Recreation	32,121	-	32,121	26,447
Restricted for Town Promotions	33,071	-	33,071	40,214
Restricted for Capital Improvements	253,460	-	253,460	297,079
Restricted for Operating & Maintenance Reserve	-	258,500	258,500	306,000
Restricted for Emergencies	116,500	-	116,500	175,000
Unrestricted	1,262,106	2,187,282	3,449,388	2,532,248
<b>TOTAL NET POSITION</b>	<b>\$ 5,980,094</b>	<b>\$ 11,067,105</b>	<b>\$ 17,047,199</b>	<b>\$ 16,284,498</b>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 142,736	\$ 399,055	\$ 675	\$ -
Public Safety	480,632	-	-	-
Public Works	792,032	-	111,958	95,416
Parks and Recreation	186,844	-	5,649	-
Interest on Long-Term Debt	4,975	-	-	-
Total Governmental Activities	<u>1,607,219</u>	<u>399,055</u>	<u>118,282</u>	<u>95,416</u>
<b>Business-Type Activities</b>				
Water and Sewer	1,587,866	1,690,162	-	118,112
Interest on Long-Term Debt	72,264	-	-	-
Total Business-Type Activities	<u>1,660,130</u>	<u>1,690,162</u>	<u>-</u>	<u>118,112</u>
Total Primary Government	<u>\$ 3,267,349</u>	<u>\$ 2,089,217</u>	<u>\$ 118,282</u>	<u>\$ 213,528</u>

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning, Restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND  
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2020	2019
\$ 256,994	\$ -	\$ 256,994	\$ (137,348)
(480,632)	-	(480,632)	(364,027)
(584,658)	-	(584,658)	729,979
(181,195)	-	(181,195)	(165,304)
(4,975)	-	(4,975)	(2,945)
<u>(994,466)</u>	<u>-</u>	<u>(994,466)</u>	<u>60,355</u>
-	220,408	220,408	703,769
-	(72,264)	(72,264)	(65,333)
<u>-</u>	<u>148,144</u>	<u>148,144</u>	<u>638,436</u>
(994,466)	148,144	(846,322)	698,791
1,300,316	-	1,300,316	1,246,511
216,300	-	216,300	167,646
20,952	-	20,952	16,549
-	-	-	56,947
-	-	-	54,193
64,174	-	64,174	11,405
28,009	-	28,009	16,297
81,563	149,716	231,279	2,353,938
<u>1,711,314</u>	<u>149,716</u>	<u>1,861,030</u>	<u>3,923,486</u>
716,848	297,860	1,014,708	4,622,277
<u>5,263,246</u>	<u>10,769,245</u>	<u>16,032,491</u>	<u>11,662,221</u>
<u>\$ 5,980,094</u>	<u>\$ 11,067,105</u>	<u>\$ 17,047,199</u>	<u>\$ 16,284,498</u>

TOWN OF GEORGETOWN, COLORADO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2020

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2020	2019
<b>ASSETS</b>					
Cash and Investments	\$ 1,132,131	\$ 276,471	\$ 67,688	\$ 1,476,290	\$ 959,807
Property Taxes Receivable	219,006	-	-	219,006	214,164
Accounts Receivable	28,798	-	-	28,798	188,294
Due From Other Governments	175,595	45,346	-	220,941	226,745
<b>TOTAL ASSETS</b>	<b>\$ 1,555,530</b>	<b>\$ 321,817</b>	<b>\$ 67,688</b>	<b>\$ 1,945,035</b>	<b>\$ 1,589,010</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 49,525	\$ -	\$ 2,496	\$ 52,021	\$ 104,965
Retainage Payable	-	68,357	-	68,357	\$ 42,792
Accrued Salaries and Benefits	9,948	-	-	9,948	27,245
<b>TOTAL LIABILITIES</b>	<b>59,473</b>	<b>68,357</b>	<b>2,496</b>	<b>130,326</b>	<b>175,002</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Tax Revenue	219,006	-	-	219,006	214,164
<b>FUND EQUITY</b>					
Fund Balance					
Restricted for Emergencies	116,500	-	-	116,500	175,000
Restricted for Parks and Recreation	-	-	32,121	32,121	26,447
Restricted for Town Promotions	-	-	33,071	33,071	40,214
Restricted for Capital Improvements	-	253,460	-	253,460	297,079
Committed	58,410	-	-	58,410	48,360
Unassigned	1,102,141	-	-	1,102,141	612,744
<b>TOTAL FUND EQUITY</b>	<b>1,277,051</b>	<b>253,460</b>	<b>65,192</b>	<b>1,595,703</b>	<b>1,199,844</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>	<b>\$ 1,555,530</b>	<b>\$ 321,817</b>	<b>\$ 67,688</b>		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,517,954	4,528,076
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include net pension asset \$13,669, compensated absences (\$33,788), capital leases payable (\$201,330), deferred outflows related to pensions \$109,643 and deferred inflows related to pensions (\$21,757).	(133,563)	(212,667)
Net position of governmental activities	<u>\$ 5,980,094</u>	<u>\$ 5,515,253</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2020

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2020	2019
<b>REVENUES</b>					
Taxes	\$ 1,473,517	\$ 240,183	\$ -	\$ 1,713,700	\$ 1,519,929
Licenses and Permits	293,976	-	-	293,976	161,669
Intergovernmental	75,000	95,416	5,649	176,065	1,216,105
Charges for Services	-	-	47,573	47,573	31,038
Donations	-	-	675	675	6,097
Court	57,506	-	-	57,506	70,741
Interest	27,417	271	25	27,713	15,909
Miscellaneous	6,859	-	-	6,859	67,278
<b>TOTAL REVENUES</b>	<b>1,934,275</b>	<b>335,870</b>	<b>53,922</b>	<b>2,324,067</b>	<b>3,088,766</b>
<b>EXPENDITURES</b>					
Current					
General Government	385,638	-	55,391	441,029	366,297
Public Safety	466,538	-	-	466,538	447,899
Public Works	480,013	-	-	480,013	495,793
Parks and Recreation	161,139	1,140	-	162,279	219,786
Capital Outlay	-	329,321	-	329,321	1,155,794
Debt Service					
Principal	-	44,053	-	44,053	47,958
Interest	-	4,975	-	4,975	5,481
<b>TOTAL EXPENDITURES</b>	<b>1,493,328</b>	<b>379,489</b>	<b>55,391</b>	<b>1,928,208</b>	<b>2,739,008</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>440,947</b>	<b>(43,619)</b>	<b>(1,469)</b>	<b>395,859</b>	<b>349,758</b>
FUND BALANCE, Beginning	836,104	297,079	66,661	1,199,844	850,086
FUND BALANCE, Ending	<u>\$ 1,277,051</u>	<u>\$ 253,460</u>	<u>\$ 65,192</u>	<u>\$ 1,595,703</u>	<u>\$ 1,199,844</u>

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

TOWN OF GEORGETOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 395,859
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$389,598 exceeded depreciation expense (\$147,713) for the current period.	241,885
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payment on leases payable for the year.	44,053
Deferred charges related to pensions are not recognized in the governmental funds. However, in the government-wide financial statements, these amounts are capitalized and amortized.	<u>35,051</u>
Change in Net Position of Governmental Activities	<u><u>\$ 716,848</u></u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUND TYPE

As of December 31, 2020

	WATER FUND	SEWER FUND	TOTALS	
			2020	2019
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 1,566,894	\$ 810,113	\$ 2,377,007	\$ 2,064,820
Accounts Receivable	72,922	57,859	130,781	128,257
Inventory	5,583	-	5,583	10,046
Total Current Assets	<u>1,645,399</u>	<u>867,972</u>	<u>2,513,371</u>	<u>2,203,123</u>
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	<u>7,289,126</u>	<u>5,662,550</u>	<u>12,951,676</u>	<u>13,351,493</u>
<b>TOTAL ASSETS</b>	<u>8,934,525</u>	<u>6,530,522</u>	<u>15,465,047</u>	<u>15,554,616</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	5,990	6,932	12,922	39,720
Accrued Expenses	4,599	4,598	9,197	5,424
Compensated Absences	4,447	4,447	8,894	5,183
Accrued Interest Payable	32,965	10,833	43,798	45,667
Current Portion of Long Term Debt	<u>130,705</u>	<u>235,373</u>	<u>366,078</u>	<u>345,551</u>
Total Current Liabilities	<u>178,706</u>	<u>262,183</u>	<u>440,889</u>	<u>441,545</u>
Noncurrent Liabilities				
Notes Payable	<u>1,913,601</u>	<u>2,043,452</u>	<u>3,957,053</u>	<u>4,343,826</u>
<b>TOTAL LIABILITIES</b>	<u>2,092,307</u>	<u>2,305,635</u>	<u>4,397,942</u>	<u>4,785,371</u>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	5,244,820	3,383,725	8,628,545	8,662,116
Restricted for Operation & Maintenance Reserve	116,500	142,000	258,500	306,000
Unreserved	<u>1,480,898</u>	<u>699,162</u>	<u>2,180,060</u>	<u>1,801,129</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,842,218</u>	<u>\$ 4,224,887</u>	<u>\$ 11,067,105</u>	<u>\$ 10,769,245</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND TYPE  
Year Ended December 31, 2020

	WATER	SEWER	TOTALS	
	FUND	FUND	2020	2019
OPERATING REVENUES				
Charges for Services	\$ 993,608	\$ 696,554	\$ 1,690,162	\$ 1,649,390
Other Revenues	75,749	73,967	149,716	2,277,048
<b>TOTAL OPERATING REVENUES</b>	<b>1,069,357</b>	<b>770,521</b>	<b>1,839,878</b>	<b>3,926,438</b>
OPERATING EXPENSES				
Salaries and Benefits	225,583	224,998	450,581	449,801
Professional Services	50,098	6,806	56,904	23,638
Repairs and Maintenance	92,575	69,407	161,982	183,172
Administrative and General	72,823	191,485	264,308	258,290
Miscellaneous	376	376	752	2,530
Depreciation	339,167	314,172	653,339	491,935
<b>TOTAL OPERATING EXPENSES</b>	<b>780,622</b>	<b>807,244</b>	<b>1,587,866</b>	<b>1,409,366</b>
<b>OPERATING INCOME (LOSS)</b>	<b>288,735</b>	<b>(36,723)</b>	<b>252,012</b>	<b>2,517,072</b>
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	971	117,141	118,112	213,745
Interest Expenses	(52,800)	(19,464)	(72,264)	(65,333)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(51,829)</b>	<b>97,677</b>	<b>45,848</b>	<b>148,412</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<b>236,906</b>	<b>60,954</b>	<b>297,860</b>	<b>2,665,484</b>
Capital Contributions	-	-	-	250,000
<b>NET INCOME</b>	<b>236,906</b>	<b>60,954</b>	<b>297,860</b>	<b>2,915,484</b>
NET POSITION, Beginning	6,605,312	4,163,933	10,769,245	7,853,761
<b>NET POSITION, Ending</b>	<b>\$ 6,842,218</b>	<b>\$ 4,224,887</b>	<b>\$ 11,067,105</b>	<b>\$ 10,769,245</b>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 Year Ended December 31, 2020

Increase (Decrease) in Cash and Cash Equivalents

	WATER	SEWER	TOTALS	
	FUND	FUND	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 1,072,741	\$ 769,076	\$ 1,841,817	\$ 4,060,828
Cash Paid to Suppliers	(238,140)	(272,604)	(510,744)	(594,293)
Cash Paid to Employees	(221,840)	(221,257)	(443,097)	(449,552)
Net Cash Provided by Operating Activities	<u>612,761</u>	<u>275,215</u>	<u>887,976</u>	<u>3,016,983</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(183,570)	(69,952)	(253,522)	(2,034,764)
Grants	971	117,141	118,112	213,745
Note Payments	(129,932)	(236,314)	(366,246)	(373,462)
Interest Payments	(53,475)	(20,658)	(74,133)	(66,916)
Capital Contributions	-	-	-	250,000
Net Cash Used by Capital and Related Financing Activities	<u>(366,006)</u>	<u>(209,783)</u>	<u>(575,789)</u>	<u>(2,011,397)</u>
Net Decrease in Cash and Cash Equivalents	246,755	65,432	312,187	1,005,586
CASH AND CASH EQUIVALENTS, Beginning	<u>1,320,139</u>	<u>744,681</u>	<u>2,064,820</u>	<u>1,059,234</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,566,894</u>	<u>\$ 810,113</u>	<u>\$ 2,377,007</u>	<u>\$ 2,064,820</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	<u>\$ 288,735</u>	<u>\$ (36,723)</u>	<u>\$ 252,012</u>	<u>\$ 2,517,072</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	339,167	314,172	653,339	491,935
Changes in Assets and Liabilities				
Accounts Receivable	(1,079)	(1,445)	(2,524)	134,390
Inventories	4,463	-	4,463	(3,200)
Accounts Payable	(22,268)	(4,530)	(26,798)	(123,463)
Accrued Expenses	1,887	1,886	3,773	972
Accrued Compensated Absences	1,856	1,855	3,711	(723)
Total Adjustments	<u>324,026</u>	<u>311,938</u>	<u>635,964</u>	<u>499,911</u>
Net Cash Provided by Operating Activities	<u>\$ 612,761</u>	<u>\$ 275,215</u>	<u>\$ 887,976</u>	<u>\$ 3,016,983</u>

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

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

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

The Town also reports the following major proprietary fund:

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

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

**Cash and Investments**

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

**Capital Assets**

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Compensated Absences**

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

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

**Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Outflows/Inflows of Resources**

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Net Position**

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

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Town does not report any amounts as nonspendable as of December 31, 2020.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Sales Tax Fund as restricted because its use is restricted by taxpayer initiative, the Town Promotion Fund as restricted as the revenues are restricted by the Business Promotion Commission, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Selectman. These amounts cannot be used for any other purpose unless the Board of Selectman removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town has classified as committed, funds allocated for the preservation and repair of its historic structures.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position/Fund Equity** (Continued)

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

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

**Property Taxes**

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

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

**Comparative Data**

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

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

**Budgets and Budgetary Accounting** (Continued)

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

NOTE 3: **DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2020 follows:

Cash Deposits	\$ 862,048
Investments	<u>2,991,249</u>
Total	<b><u>\$ 3,853,297</u></b>

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

Governmental Activities	\$ 1,476,290
Business –Type Activities	<u>2,377,007</u>
Total	<b><u>\$ 3,853,297</u></b>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories.

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

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

At December 31, 2020, the Town had deposits with financial institutions with a carrying amount of \$862,048. The bank balances with the financial institutions were \$911,643. Of these balances \$500,000 was covered by federal depository insurance and \$411,643 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

**Investments**

Interest Rate Risk

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

Credit Risk

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

**Investments** (Continued)

Credit Risk (Continued)

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

Local Government Investment Pools

The Town had invested \$98,227 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

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

The Town had invested \$2,893,022 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2020 is summarized below:

	Balances <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/20</u>
<b>Governmental Activities</b>				
Capital Assets, not depreciated				
Land	\$ 1,068,744	\$ -	\$ -	\$ 1,068,744
Construction in Progress	<u>1,317,646</u>	<u>-</u>	<u>1,197,634</u>	<u>120,012</u>
Total Capital Assets, not depreciated	<u>2,386,390</u>	<u>-</u>	<u>1,197,634</u>	<u>1,188,756</u>
Capital Assets, depreciated				
Buildings and Improvements	926,051	-	-	926,051
Infrastructure	2,583,489	1,587,232	-	4,170,721
Machinery and Equipment	<u>689,336</u>	<u>-</u>	<u>-</u>	<u>689,336</u>
Total Capital Assets, depreciated	<u>4,198,876</u>	<u>1,587,231</u>	<u>-</u>	<u>5,786,108</u>
Less Accumulated Depreciation				
Buildings and Improvements	265,650	24,565	-	290,215
Infrastructure	1,604,689	49,884	-	1,654,573
Machinery and Equipment	<u>438,858</u>	<u>73,264</u>	<u>-</u>	<u>512,122</u>
Total Accumulated Depreciation	<u>2,309,197</u>	<u>147,713</u>	<u>-</u>	<u>2,456,910</u>
Total Capital Assets, depreciated, Net	<u>1,889,679</u>	<u>1,439,519</u>	<u>-</u>	<u>3,329,198</u>
Governmental Activities, Capital Assets, Net	<u>\$ 4,276,069</u>	<u>\$ 1,439,519</u>	<u>\$ (1,197,634)</u>	<u>\$ 4,517,954</u>

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

<b>Governmental Activities</b>	
Public Safety	\$ 49,145
Public Works	74,003
Parks and Recreation	<u>24,565</u>
Total	<u>\$ 147,713</u>

The beginning balance of the Construction in Progress was reduced by \$252,007 to accurately reflect the balance as of December 31, 2019.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 4: CAPITAL ASSETS (Continued)**

	Balances <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/20</u>
<b>Business-Type Activities</b>				
Capital Assets, not depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, not depreciated	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Capital Assets, depreciated				
Buildings and Improvements	10,157,638	124,016	-	10,281,654
Collection and Distribution	6,105,542	129,506	-	6,235,048
Dam Outlet	1,736,510	-	-	1,736,510
Machinery and Equipment	<u>217,974</u>	<u>-</u>	<u>-</u>	<u>217,974</u>
Total Capital Assets, depreciated	<u>18,217,664</u>	<u>253,522</u>	<u>-</u>	<u>18,471,186</u>
Less: Accumulated Depreciation				
Buildings and Improvements	1,893,173	293,231	(62,632)	2,123,772
Collection and Distribution	2,769,690	368,540	-	3,138,230
Dam Outlet	23,153	54,200	-	77,353
Machinery and Equipment	<u>187,655</u>	<u>-</u>	<u>-</u>	<u>187,655</u>
Total Accumulated Depreciation	<u>4,873,671</u>	<u>715,971</u>	<u>(62,632)</u>	<u>5,527,010</u>
Total Capital Assets, depreciated, Net	<u>13,343,993</u>	<u>(462,449)</u>	<u>(62,632)</u>	<u>12,944,176</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 13,351,493</u>	<u>\$ (462,449)</u>	<u>\$ 62,632</u>	<u>\$ 12,951,676</u>

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

**Business-type Activities**

Water Fund	\$ 347,733
Sewer Fund	<u>368,238</u>
Total	<u>\$ 715,971</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 5: LONG-TERM DEBT**

**Governmental Activities**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2020.

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/20</u>	Due In <u>One Year</u>
Capital Leases	\$ 245,383	\$ -	\$ 44,053	\$ 201,330	\$ 46,630
Accrued Compensated Absences	<u>33,788</u>	<u>-</u>	<u>-</u>	<u>33,788</u>	<u>-</u>
Totals	<u>\$ 279,171</u>	<u>\$ -</u>	<u>\$ 44,053</u>	<u>\$ 235,118</u>	<u>\$ 46,630</u>

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

**Capital Leases**

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 5: LONG-TERM DEBT** (Continued)

**Capital Leases** (Continued)

**Future Debt Service Requirements**

Following is a schedule of the future minimum lease payments required under the capital lease obligations at December 31, 2020:

Year Ended December 31,

2021	\$ 54,979
2022	45,254
2023	14,010
2024	14,010
2025	14,010
Thereafter	<u>96,343</u>
Total Minimum Lease Payments	238,605
Less: Interest	<u>(37,275)</u>
Present Value of Minimum Lease Payments	<b><u>\$ 201,330</u></b>

**Business-Type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2020.

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/20</u>	<u>Due In</u> <u>One Year</u>
1999 CWCB Loan	\$ 64,443	\$ -	\$ 8,841	\$ 55,602	\$ 9,795
2009 CWRPDA Loan, Drinking Water	703,500	-	67,000	636,500	67,000
2009 CWRPDA Loan, Wastewater Facility	1,995,000	-	190,000	1,805,000	190,000
2011 CWRPDA Loan, Drinking Water	472,655	-	36,311	436,344	35,840
2012 CWCB Dam Loan	933,640	-	17,780	915,860	18,070
2014 Ground Lease	520,138	-	43,398	473,825	45,373
Compensated Absences	<u>5,184</u>	<u>3,710</u>	<u>-</u>	<u>8,894</u>	<u>-</u>
Total	<b><u>\$ 4,694,500</u></b>	<b><u>\$ 3,710</u></b>	<b><u>\$ 366,245</u></b>	<b><u>\$ 4,332,025</u></b>	<b><u>\$ 366,078</u></b>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 5: LONG-TERM DEBT** (Continued)

**1999 Colorado Water Conservancy Board (CWCB)**

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 5: LONG-TERM DEBT** (Continued)

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

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

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

**2012 Colorado Water Conservancy Board (CWCB)**

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

**Future Debt Service Requirements**

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 319,926	\$ 52,703	\$ 372,629
2022	321,939	50,656	372,595
2023	324,029	48,524	372,553
2024	327,085	46,323	373,408
2025	329,378	44,030	373,408
Thereafter	<u>2,226,949</u>	<u>503,830</u>	<u>2,730,779</u>
Total Debt Service Requirements	<b><u>\$ 3,849,306</u></b>	<b><u>\$ 746,066</u></b>	<b><u>\$ 4,595,372</u></b>

**Capital Leases**

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 5: LONG-TERM DEBT** (Continued)

**Future Debt Service Requirements**

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

Year Ended December 31,

2021	\$ 66,971
2022	66,971
2023	66,971
2024	66,971
2025	66,971
Thereafter	<u>264,969</u>
Total Minimum Lease Payments	597,824
Less: Interest	<u>(125,999)</u>
Present Value of Minimum Lease Payments	<u><b>\$ 473,825</b></u>

**NOTE 6: DEFINED BENEFIT PENSION PLANS**

**Statewide Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

*Pensions.* The Town contributes to the Statewide Defined Benefit Pension Plan (“SWDB Plan”), a cost-sharing multiple employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 6: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Defined Benefit Pension Plan** (Continued)

**General Information about the Pension Plan**

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

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

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

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

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

*Contributions.* Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 6: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Defined Benefit Pension Plan** (Continued)

**General Information about the Pension Plan** (Continued)

Members of the SWDB Plan and their employers are contributing at the rate of 11.0 percent and 8 percent, respectively, of base salary for a total contribution rate of 19.0 percent in 2020. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 23.0 percent of base salary in 2020. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 5.50 and 4 percent, respectively, of base salary for a total contribution rate of 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2020, the Town reported an asset in the amount of \$13,669 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The Town's proportion of the net pension liability was based on the Town's contributions to the SWDB Plan for the calendar year 2018 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2019, the Town's proportion was 0.02417%, which was a decrease of 0.0025% from its proportion measured as of December 31, 2018.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 6: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Defined Benefit Pension Plan** (Continued)

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

For the year ended December 31, 2020 the Town recognized pension expense of \$117,526. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 46,260	\$ 268
Net difference between projected and actual earnings on pension plan investments	N/A	\$ 21,489
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 7,630	N/A
Change in assumptions and other inputs	\$ 25,955	N/A
Contributions subsequent to the measurement date	\$ 29,798	N/A
Total	\$ 109,643	\$ 21,757

\$29,798 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31</b>	
2020	\$ 5,737
2021	\$ 3,876
2022	\$ 10,866
2023	\$ 1,799
2024	\$ 10,968
Thereafter	\$ 24,842

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 6: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Defined Benefit Pension Plan** (Continued)

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

*Actuarial assumptions.* The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2020
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2019
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 6: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Defined Benefit Pension Plan** (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.50 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Illiquid Alternatives	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
Total	100.0%	

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 6: DEFINED BENEFIT PENSION PLANS** (Continued)

**Statewide Defined Benefit Pension Plan** (Continued)

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

*Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.* Regarding the sensitivity of the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$ 82,881	\$(13,669)	\$ (93,745)

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 7: DEFINED CONTRIBUTION PLANS**

**Defined Contribution Plan**

The Town offers all employees except for police officers who are covered under FPPA a defined contribution pension plan, which is administered by the Colorado County Officials and Employees Retirement Association (CCOERA). Employee participation is mandatory and commences after one year of employment. Both the Town and employees contribute an amount equal to 3.00% of compensation. During the years ended December 31, 2020 and December 31, 2019, the Town contributions to the plan were \$15,495 and \$14,251, respectively equal to the required contribution.

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

**NOTE 8: RISK MANAGEMENT**

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

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**Wastewater Service Agreement**

During 2011 the Town entered into a wastewater service agreement with the Town of Silver Plume to process Silver Plume's wastewater through the Town's facility. This agreement was intended to replace and supersede the 1986 and 2005 agreements. Under the terms of the agreement, both Towns contribute annually determined amounts to an Operating and Maintenance Reserve, a Capital Reserve and an Emergency Reserve. These funds are held by the Town of Georgetown and require approval by a Joint Water Commission Board prior to expenditure. As of December 31, 2017, these reserves are not fully funded. During 2014, the Town contributed \$36,440 to the Sewer Equipment Reserve and \$36,440 to the Sewer Long Term Capital Reserve. During 2020, the Town of Silver Plume paid the Town of Georgetown \$117,141 for wastewater treatment services under the terms of the contract.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 9: COMMITMENTS AND CONTINGENCIES** (Continued)

**Tabor Amendment**

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2020, the emergency reserve of \$116,500 was recorded as a restriction of fund balance in the General Fund.

**NOTE 10: SUBSEQUENT EVENTS**

Potential subsequent events were considered through July 31, 2021. It was determined that no events were required to be disclosed through this date.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF GEORGETOWN, COLORADO

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2020

	2020			VARIANCE	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 1,303,369	\$ 1,303,369	\$ 1,473,517	\$ 170,148	\$ 1,303,856
Licenses and Permits	158,425	203,125	293,976	90,851	161,669
Intergovernmental	171,500	171,500	75,000	(96,500)	186,770
Court	-	-	57,506	57,506	70,741
Interest	125	125	27,417	27,292	15,521
Miscellaneous	134,778	142,278	6,859	(135,419)	67,278
TOTAL REVENUES	<u>1,768,197</u>	<u>1,820,397</u>	<u>1,934,275</u>	<u>113,878</u>	<u>1,805,835</u>
EXPENDITURES					
Current					
General Government	452,981	452,981	385,638	67,343	309,831
Public Safety	492,777	492,777	466,538	26,239	447,899
Public Works	726,770	726,770	480,013	246,757	495,793
Parks and Recreation	218,056	218,056	161,139	56,917	185,021
TOTAL EXPENDITURES	<u>1,890,584</u>	<u>1,890,584</u>	<u>1,493,328</u>	<u>397,256</u>	<u>1,438,544</u>
NET CHANGE IN FUND BALANCE	(122,387)	(70,187)	440,947	511,134	367,291
FUND BALANCE, Beginning	-	-	836,104	836,104	468,813
FUND BALANCE, Ending	<u>\$ (122,387)</u>	<u>\$ (70,187)</u>	<u>\$ 1,277,051</u>	<u>\$ 1,347,238</u>	<u>\$ 836,104</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

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

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.0425%	0.0418%	0.0272%	0.0344%	0.0313%	0.0267%	0.0242%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (37,986)	\$ (47,193)	\$ (480)	\$ (12,412)	\$ (45,059)	\$ 33,723	\$ (13,669)
Town's covered payroll	\$ 273,302	\$ 188,050	\$ 170,824	\$ 175,115	\$ 169,989	\$ 178,138	\$ 193,685
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-13.9%	-25.1%	-0.28%	-7.09%	-26.51%	18.93%	-7.06%
Plan fiduciary net position as a percentage of the total pension liability	105.8%	105.8%	100.10%	98.21%	106.34%	95.23%	101.90%

Notes:

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

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

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS  
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contributions	\$ 14,761	\$ 15,044	\$ 11,121	\$ 13,666	\$ 14,009	\$ 13,599	\$ 14,251	\$ 15,495
Contributions in relation to the Statutorily required contributions	<u>14,761</u>	<u>15,044</u>	<u>11,121</u>	<u>13,666</u>	<u>14,009</u>	<u>13,599</u>	<u>14,251</u>	<u>15,495</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 184,516	\$ 188,050	\$ 139,007	\$ 170,824	\$ 175,115	\$ 169,989	\$ 178,138	\$ 193,685
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Notes:

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

See the accompanying independent auditors' report.

**COMBINING AND INDIVIDUAL FUND SCHEDULES**

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

As of December 31, 2020

	CONSERVATION	TOWN	TOTALS	
	TRUST FUND	PROMOTION FUND	2020	2019
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 32,121	\$ 35,567	\$ 67,688	\$ 76,194
<b>TOTAL ASSETS</b>	<u>\$ 32,121</u>	<u>\$ 35,567</u>	<u>\$ 67,688</u>	<u>\$ 76,194</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 2,496	\$ 2,496	\$ 9,533
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>2,496</u>	<u>2,496</u>	<u>9,533</u>
<b>FUND EQUITY</b>				
Restricted	32,121	33,071	65,192	66,661
<b>TOTAL FUND EQUITY</b>	<u>32,121</u>	<u>33,071</u>	<u>65,192</u>	<u>66,661</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 32,121</u>	<u>\$ 35,567</u>	<u>\$ 67,688</u>	<u>\$ 76,194</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 Year Ended December 31, 2020

	CONSERVATION	TOWN	TOTALS	
	TRUST FUND	PROMOTION FUND	2020	2019
REVENUES				
Intergovernmental	\$ 5,649	\$ -	\$ 5,649	\$ 6,157
Charges for Services	-	47,573	47,573	31,038
Interest	25	-	25	49
Donations	-	675	675	6,097
TOTAL REVENUES	<u>5,674</u>	<u>48,248</u>	<u>53,922</u>	<u>43,341</u>
EXPENDITURES				
General Government	-	55,391	55,391	56,466
TOTAL EXPENDITURES	<u>-</u>	<u>55,391</u>	<u>55,391</u>	<u>56,466</u>
NET CHANGE IN FUND BALANCE	5,674	(7,143)	(1,469)	(13,125)
FUND BALANCE, Beginning	<u>26,447</u>	<u>40,214</u>	<u>66,661</u>	<u>79,786</u>
FUND BALANCE, Ending	<u>\$ 32,121</u>	<u>\$ 33,071</u>	<u>\$ 65,192</u>	<u>\$ 66,661</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

CONSERVATION TRUST FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2020

	2020		VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Lottery Revenues	\$ 6,600	\$ 5,649	\$ (951)	\$ 6,157
Interest	50	25	(25)	49
TOTAL REVENUES	<u>6,650</u>	<u>5,674</u>	<u>(976)</u>	<u>6,206</u>
EXPENDITURES				
Parks and Recreation	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(18,350)	5,674	24,024	6,206
FUND BALANCE, Beginning	<u>-</u>	<u>26,447</u>	<u>26,447</u>	<u>20,241</u>
FUND BALANCE, Ending	<u>\$ (18,350)</u>	<u>\$ 32,121</u>	<u>\$ 50,471</u>	<u>\$ 26,447</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

TOWN PROMOTION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2020

	2020		VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 29,720	\$ 47,573	\$ 17,853	\$ 31,038
Donations	1,000	675	(325)	6,097
TOTAL REVENUES	<u>30,720</u>	<u>48,248</u>	<u>17,528</u>	<u>37,135</u>
EXPENDITURES				
Current				
General Government				
Professional Services	38,556	32,648	5,908	40,114
General and Administrative	16,000	22,743	(6,743)	16,352
TOTAL EXPENDITURES	<u>54,556</u>	<u>55,391</u>	<u>(835)</u>	<u>56,466</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(23,836)</u>	<u>(7,143)</u>	<u>16,693</u>	<u>(19,331)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(3,836)</u>	<u>(7,143)</u>	<u>(3,307)</u>	<u>(19,331)</u>
FUND BALANCE, Beginning	<u>-</u>	<u>40,214</u>	<u>40,214</u>	<u>59,545</u>
FUND BALANCE, Ending	<u>\$ (3,836)</u>	<u>\$ 33,071</u>	<u>\$ 36,907</u>	<u>\$ 40,214</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SALES TAX FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2020

	2020			VARIANCE	2019
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Sales Tax	\$ 215,630	\$ 215,630	\$ 240,183	\$ 24,553	\$ 216,073
Intergovernmental	-	272,859	95,416	(177,443)	1,023,178
Interest	400	400	271	(129)	339
TOTAL REVENUES	<u>216,030</u>	<u>488,889</u>	<u>335,870</u>	<u>(153,019)</u>	<u>1,239,590</u>
EXPENDITURES					
Current					
General Government					
Parks and Recreation	-	-	1,140	(1,140)	34,765
Capital Outlay	179,360	452,219	329,321	122,898	1,155,794
Debt Service					
Principal	9,037	9,037	44,053	(35,016)	47,958
Interest	4,975	4,975	4,975	-	5,481
TOTAL EXPENDITURES	<u>193,372</u>	<u>466,231</u>	<u>379,489</u>	<u>86,742</u>	<u>1,243,998</u>
NET CHANGE IN FUND BALANCE	22,658	22,658	(43,619)	(66,277)	(4,408)
FUND BALANCE, Beginning	-	-	297,079	297,079	301,487
FUND BALANCE, Ending	<u>\$ 22,658</u>	<u>\$ 22,658</u>	<u>\$ 253,460</u>	<u>\$ 230,802</u>	<u>\$ 297,079</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

WATER FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2020

	2020		VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>REVENUES</b>				
Charges for Services	\$ 905,664	\$ 993,608	\$ 87,944	\$ 968,691
Intergovernmental	1,000	971	(29)	99,357
Development Fees	44,910	14,970	(29,940)	982,626
Capital Contribution	-	-	-	250,000
Other Revenues	9,450	60,779	51,329	11,894
<b>TOTAL REVENUES</b>	<b>961,024</b>	<b>1,070,328</b>	<b>109,304</b>	<b>2,312,568</b>
<b>EXPENDITURES</b>				
Salaries and Benefits	219,731	225,583	(5,852)	225,939
Professional Services	41,930	50,098	(8,168)	17,597
Repairs and Maintenance	82,200	63,001	19,199	52,360
Administration and General	118,980	72,823	46,157	168,090
Miscellaneous	1,900	376	1,524	-
Capital Outlay	303,000	29,574	273,426	1,021,741
Debt Service				
Principal	127,988	128,730	(742)	41,455
Interest	55,422	52,800	2,622	40,806
<b>TOTAL EXPENDITURES</b>	<b>951,151</b>	<b>622,985</b>	<b>328,166</b>	<b>1,567,988</b>
<b>NET INCOME, Budget Basis</b>	<b>\$ 9,873</b>	<b>447,343</b>	<b>\$ 437,470</b>	<b>744,580</b>
<b>GAAP BASIS ADJUSTMENTS</b>				
Capital Outlay		-		1,021,741
Depreciation		(339,167)		(224,422)
Principal Paid on Long-Term Debt		128,730		41,455
<b>NET INCOME, GAAP Basis</b>		<b>236,906</b>		<b>1,583,354</b>
<b>NET POSITION, Beginning</b>		<b>6,605,312</b>		<b>5,021,958</b>
<b>NET POSITION, Ending</b>		<b>\$ 6,842,218</b>		<b>\$ 6,605,312</b>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SEWER FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2020

	2020		VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 718,560	\$ 696,554	\$ (22,006)	\$ 680,699
Intergovernmental	117,120	117,141	21	114,388
Development Fees	38,400	12,800	(25,600)	1,260,023
Other Revenues	13,000	61,167	48,167	22,505
TOTAL REVENUES	887,080	887,662	582	2,077,615
EXPENDITURES				
Salaries and Benefits	219,345	224,998	(5,653)	223,862
Professional Services	63,810	6,806	57,004	6,041
Repairs and Maintenance	96,000	68,885	27,115	130,812
Administration and General	183,000	191,485	(8,485)	90,200
Miscellaneous	5,200	376	4,824	2,530
Capital Outlay	161,000	522	160,478	1,013,023
Debt Service				
Principal	233,399	233,398	1	231,508
Interest	23,572	19,464	4,108	24,527
TOTAL EXPENDITURES	985,326	745,934	239,392	1,722,503
NET INCOME, Budget Basis	\$ (98,246)	141,728	\$ 239,974	355,112
GAAP BASIS ADJUSTMENTS				
Capital Outlay		-		1,013,023
Depreciation		(314,172)		(267,513)
Principal Paid on Long-Term Debt		233,398		231,508
NET INCOME, GAAP Basis		60,954		1,332,130
NET POSITION, Beginning		4,163,933		2,831,803
NET POSITION, Ending		\$ 4,224,887		\$ 4,163,933

See the accompanying independent auditors' report.

## **COMPLIANCE**