



Town of Gilcrest, Colorado

Financial Statements and Supplementary Information

For the Year Ended December 31, 2020

Town of Gilcrest, Colorado

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Independent Auditor's Report

Honorable Mayor and Members
of the Town Board of Trustees
Town of Gilcrest, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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



basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

BDO USA, LLP
September 20, 2022

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

This section of the annual financial report offers readers of the Town of Gilcrest's (the "Town") financial statements management's discussion and analysis of the Town's financial performance during the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Background Information

The Town was incorporated in 1912. The predominant funds are comprised of five basic funds; the General, Conservation Trust, Water, Sewer and Stormwater Funds.

On November 7, 1995, (retroactive to January 1, 1994) the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992 and to remove the 5.5% property tax increase annual limitation.

Financial Highlights

- The Town financial status improved over the course of the 2020 fiscal year. Total net position increased 5.2 percent.
- General revenues account for \$593,793 or 39.5 percent of all revenues. The Town had \$909,268 in program specific revenues in the form of charges for services and operating grants and contributions during 2020.
- The Town had \$699,028 in expenses related to governmental activities, of which \$412,231 were offset by program specific charges for services and operating grants and contributions. General revenues (property, specific ownership, sales and use and other taxes) of \$535,850 were adequate to provide for all other governmental activities.
- Outlays for capital assets were primarily comprised of the improvements to the utility system and for the general government operations. See the capital assets section of this management discussion and analysis for more information.
- The Town's outstanding debt at December 31, 2020, consists of \$40,700 in general obligation bonds, \$77,687 in Energy Impact Assistance Loans, and \$592,897 in a Colorado Water Resources and Power Development Authority Loan.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and required and other supplementary information. The basic financial statements include statements that present different views of the Town.

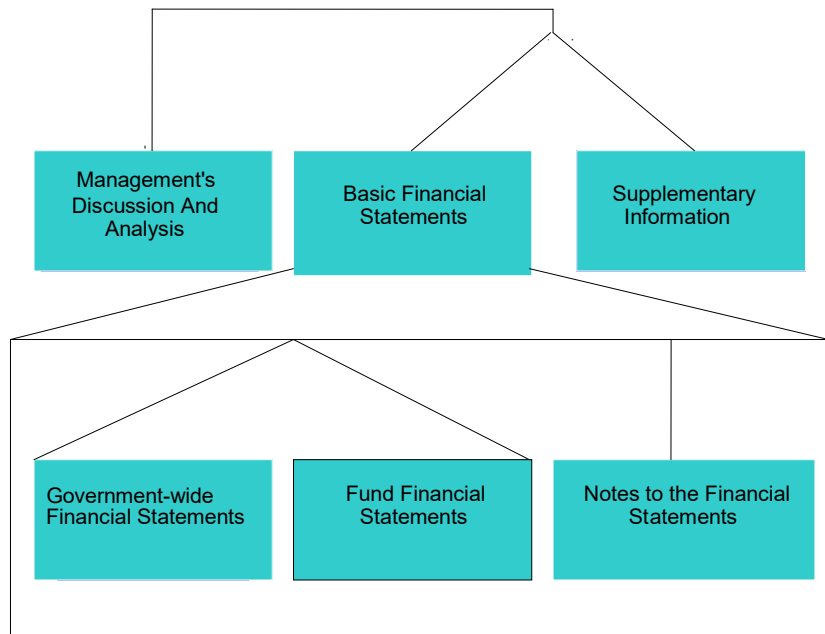
- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The governmental funds statements tell how basic services were financed in the short-term, as well as what remains for future spending.
- The Town maintains one type of proprietary fund, enterprise funds. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, sewer and stormwater functions.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

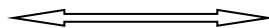
The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required and other supplementary information that further explains and supports the financial statements with a comparison of the Town's budget versus actual expenditures for the year.

Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Table 1
Organization of Town's Annual Financial Report**



SUMMARY



DETAILED

Table 2, displayed on the following page summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund financial statements, found in the basic financial statements.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

**Table 2
Major Features of the Town and Fund Financial Statements**

	Town Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Town	The activities of the Town that are not proprietary or fiduciary.	Activities the Town operates similar to private businesses: water and sewer services
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic-resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the Town of Gilcrest finances, in a manner similar to a private-sector business. The statement of net position includes all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. These statements provide both short-term and long-term information about the Town's overall financial status.

To assess the Town's overall health, you need to consider additional non-financial factors such as the condition of buildings and equipment.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the Town's basic services such as general government, public safety, and public works.

These statements can be found on pages 14-16 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or major funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town has governmental and proprietary funds.

- *Governmental funds:* Most of the Town's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Town's programs. Because this information does not encompass the long-term focus of the Town's statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The Town of Gilcrest maintains two governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. The General Fund is considered a major fund of the Town.

The basic governmental fund financial statements can be found on pages 17-19 of this report.

- *Proprietary Funds:* Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Gilcrest uses enterprise funds to account for its water, sewer and stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sewer and storm water operations, all of which are considered to be major funds of the Town of Gilcrest.

The basic proprietary fund statements can be found on pages 20-23 of this report.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 24-39 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information. This includes the budget comparison schedules for the General, Conservation Trust, Water, Sewer and Stormwater Funds.

Financial Analysis of the Town as a Whole

Net position and Changes in Net Position

The Town's combined net position was larger on December 31, 2020, than it was the year before, increasing 5.2 percent to \$5,966,802. Table 3 provides a summary of the Town's net position at December 31, 2020, with comparative totals for 2019.

**Table 3
Condensed Statement of Net Position**

	Governmental Activities	Business-Type Activities	Total 2020	Total \$2,019
Current assets	\$ 1,789,834	\$ 770,739	\$ 2,560,573	\$2,217,126
Restricted assets	-	44,614	44,614	37,277
Capital assets	676,349	3,711,731	4,388,080	4,512,066
Total assets	2,466,183	4,527,084	6,993,267	6,766,469
Current liabilities	26,068	15,046	41,114	48,480
Long-term liabilities	13,081	721,027	734,108	792,602
Total liabilities	39,149	736,073	775,222	841,082
Deferred inflows of resources	229,117	22,126	251,243	251,213
Net investment in capital assets	676,349	3,000,447	3,676,796	3,734,268
Restricted	79,069	44,614	123,683	118,709
Unrestricted	1,442,499	723,824	2,166,323	1,821,197
Total net position	\$ 2,197,917	\$ 3,768,885	\$ 6,004,079	\$5,674,174
	% Change in	Net Position	5.2%	

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Table 4 provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**Table 4
Changes in Net position from Operating Results**

	Governmental Activities	Business-Type Activities	Total 2020	Total 2019
<u>Program revenues</u>				
Charges for services	\$ 175,308	\$ 497,037	\$ 672,345	\$ 636,662
Grants and contributions	236,923	-	236,923	410,195
<u>General revenue</u>				
Property taxes	229,055	20,990	250,045	200,504
Specific ownership taxes	11,696	-	11,696	13,468
Sales and use taxes	164,038	-	164,038	170,332
Franchise taxes	29,533	-	29,533	28,439
Other taxes	101,528	-	101,528	64,506
Earnings on investments	22,130	4,748	26,878	49,316
Other	10,075	-	10,075	24,730
Transfers	(2,000)	2,000	-	-
<u>Total revenues</u>	<u>978,286</u>	<u>524,775</u>	<u>1,503,061</u>	<u>1,598,152</u>
<u>Expenses</u>				
General government	188,813	-	188,813	229,853
Public safety	170,153	-	170,153	148,592
Public works	210,075	-	210,075	207,679
Health and welfare	32,558	-	32,558	53,997
Culture, recreation, and parks	97,429	-	97,429	103,935
Water	-	213,430	213,430	213,332
Sewer	-	274,918	274,918	306,008
Stormwater	-	23,058	23,058	22,042
<u>Total expenses</u>	<u>699,028</u>	<u>511,406</u>	<u>1,210,434</u>	<u>1,285,438</u>
Change in net position	<u>\$ 279,258</u>	<u>\$ 13,369</u>	<u>\$ 292,627</u>	<u>\$ 312,714</u>

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Property, specific ownership, sales and use, franchise and other taxes account for 37 cents for every dollar raised. Another 45 cents came from charges for services, operating and capital grants and contributions raised 16 cents, and earnings on investments and other revenues account for 2 cents. The

Town expenses predominantly relate to police protection, building inspection, maintenance of the Town's streets and infrastructure, general government and recreation.

Governmental Activities

The increase in net position for governmental activities was \$279,258 in 2020. The governmental funds monitor cash resources and expenditures. There was \$38,060 in capital outlay during 2020 in the governmental funds. Capital outlay is often a significant expenditure and is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities page 19, the net difference between capital outlays and depreciation expenses was \$(7,741).

The statement of activities shows the cost of program services and the related charges for services and grant offsetting those costs. Table 5 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**Table 5
Net Cost of Governmental Activities**

	2020		2019
	Total Cost of Services	Net Cost of Services	Net Cost of Services
General government	\$ 188,813	\$ 175,150	\$ 220,065
Public safety	170,153	128,996	110,103
Public works	210,075	(100,215)	(300,479)
Health and welfare	32,558	32,558	53,997
Culture, recreation and parks	97,429	50,308	58,827
	\$ 699,028	\$ 286,797	\$ 142,513

Financial Analysis of the Town's General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the Town. This fund provides for functional areas of the organization - administration, public safety, public works, health and welfare and culture and recreation. The General Fund also provides for such other items as insurance, utilities, and other costs the Town incurs. The primary funding source for the General Fund is sales and use taxes and taxation of real property. Other sources of income for the General Fund include earnings on investments, charges for services,

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

intergovernmental revenues and other miscellaneous sources.

The primary projects or program efforts for establishing needed funding during 2020 were:

1. Salaries and benefits for all existing full-time personnel of the Town
2. Public safety services
3. Normal operational costs of the Town
4. Public works services
5. Recreation activities

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the General Fund anticipated that expenditures would exceed revenues by \$114,789 due to the expending of one-time sources for certain projects. The actual results for the year show revenues exceeding expenditures by \$292,226.

It should be noted that the Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Culture, Recreation and Parks
- Debt Service
- Capital Outlay
- The Town must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). On December 31, 2020, the Town's TABOR reserve amounted to \$30,000.

Capital Assets and Debt Administration

Capital Assets

By the end of 2020, the Town had invested \$4,388,080 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, land improvements, vehicles and other equipment. This amount represents a decrease of \$123,986 or 2.8 percent from last year. Additional information on the Town's capital assets can be found in Note 5 to the financial statements. Total depreciation expense for the year was \$45,022 in the governmental funds and \$159,234 in the enterprise funds.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Table 6

Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and water rights	\$ 37,514	\$ 37,514	\$ 683,075	\$ 683,075	\$ 720,589	\$ 720,589
System enhancement fees		-	137,500	137,500	137,500	137,500
Land improvements	205,128	212,748	-	-	205,128	212,748
Buildings and improvements	44,434	47,948	-	-	44,434	47,948
Vehicles and equipment	167,191	151,659	40,334	6,872	207,525	158,531
Street and improvements	222,082	234,221	-	-	222,082	234,221
Utility systems	-	-	2,850,822	3,000,529	2,850,822	3,000,529
Total	\$ 676,349	\$ 684,090	\$3,711,731	\$3,827,976	\$4,388,080	\$4,512,066

Long-Term Debt

At year-end the Town had \$40,700 in general obligation bonds, a reduction of 31.3 percent from the previous year, \$592,897 in CWRPDA loan, a reduction of 6.0 percent from the previous year, and \$77,687 in energy impact assistance loans which was reduced by 11.6 percent during 2020. In May 2018, the principal amount of the 2015 CWRPDA loan was reduced by \$271,517 for unused project funds. More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

**Table 7
Outstanding Long-Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ -	\$ -	\$ 40,700	\$ 59,200	\$ 40,700	\$ 59,200
CWRPDA loan	-	-	592,897	630,711	592,897	630,711
Energy impact assistance loans	-	-	77,687	87,887	77,687	87,887
Total	\$ -	\$ -	\$ 711,284	\$ 777,798	\$ 711,284	\$ 777,798

Factors Bearing on the Town's Future

At the time these financial statements were prepared and audited, the Town was aware of the following circumstances that could significantly affect its financial health in the future:

In March 2020, the World Health Organization ("WHO") classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Town's financial condition and operations.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Gilcrest at, P.O. Box 128, Gilcrest, Colorado 80623.

Basic Financial Statements

Town of Gilcrest, Colorado
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,482,324	\$ 703,501	\$ 2,185,825
Accounts and taxes receivables	281,064	62,149	343,213
Grant receivable	-	-	-
Internal balances	3,340	(3,340)	-
Prepaid items	23,106	8,429	31,535
Restricted cash and cash equivalents	-	44,614	44,614
Capital assets:			
Not being depreciated	37,514	820,575	858,089
Being depreciated, net of accumulated depreciation	638,835	2,891,156	3,529,991
Total assets	2,466,183	4,527,084	6,993,267
Liabilities			
Accounts payable	26,068	5,488	31,556
Accrued wages payable	-	217	217
Accrued interest payable	-	9,341	9,341
Noncurrent liabilities:			
Compensated absences	13,081	9,743	22,824
Due within one year	-	68,504	68,504
Due in more than one year	-	642,780	642,780
Total liabilities	39,149	736,073	775,222
Deferred inflows of resources			
Property taxes levied for subsequent year	229,117	22,126	251,243
Total deferred inflows of resources	229,117	22,126	251,243
Net position			
Net investment in capital assets	676,349	3,000,447	3,676,796
Restricted for:			
Emergencies	30,000	-	30,000
Debt service	-	44,614	44,614
Parks and recreation	49,069	-	49,069
Unrestricted	1,442,499	723,824	2,166,323
Total net position	\$ 2,197,917	\$ 3,768,885	\$ 5,966,802

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

Town of Gilcrest, Colorado
Statement of Activities
Year Ended December 31, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental activities:				
General government	\$ 188,813	\$ 13,663	\$ -	\$ -
Public safety	170,153	41,157	-	-
Public works	210,075	84,768	225,522	-
Health and welfare	32,558	-	-	-
Culture, recreation and parks	97,429	35,720	11,401	-
Total government activities	699,028	175,308	236,923	-
Business-type activities:				
Water	213,430	217,328	-	-
Sewer	274,918	259,038	-	-
Stormwater	23,058	20,671	-	-
Total business-type activities	511,406	497,037	-	-
Total primary government	\$ 1,210,434	\$ 672,345	\$ 236,923	\$ -

General revenues

Taxes:

- Property taxes levied for general purposes
- Property taxes levied for debt services
- Specific ownership taxes
- Sales and use taxes
- Franchise taxes
- Other taxes

Earnings on investments

Other revenues

Transfers

Total general revenues

Changes in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (175,150)	\$ -	\$ (175,150)
(128,996)	-	(128,996)
100,215	-	100,215
(32,558)	-	(32,558)
(50,308)	-	(50,308)
(286,797)	-	(286,797)
-	3,898	3,898
-	(15,880)	(15,880)
-	(2,387)	(2,387)
-	(14,369)	(14,369)
(286,797)	(14,369)	(301,166)
229,055	-	229,055
-	20,990	20,990
11,696	-	11,696
164,038	-	164,038
29,533	-	29,533
101,528	-	101,528
22,130	4,748	26,878
10,075	-	10,075
(2,000)	2,000	-
566,055	27,738	593,793
279,258	13,369	292,627
1,918,659	3,755,516	5,674,175
\$ 2,197,917	\$ 3,768,885	\$ 5,966,802

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

Town of Gilcrest, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General	Conservation Trust (Nonmajor)	Total Governmental Funds
Assets			
Equity in pooled cash and cash equivalents	\$ 1,420,620	\$ 61,704	\$ 1,482,324
Accounts and taxes receivable	281,064	-	281,064
Due from other funds	15,975	-	15,975
Prepaid items	22,819	287	23,106
Totals assets	\$ 1,740,478	\$ 61,991	\$ 1,802,469
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	\$ 26,068	\$ -	\$ 26,068
Due to other funds	-	12,635	12,635
Total liabilities	26,068	12,635	38,703
Deferred inflows of resources			
Property taxes levied for subsequent year	229,117	-	229,117
Total deferred inflows of resources	229,117	-	229,117
Fund balances			
Nonspendable	22,819	287	23,106
Restricted	30,000	49,069	79,069
Unassigned	1,432,474	-	1,432,474
Total fund balances	1,485,293	49,356	1,534,649
Total liabilities, deferred inflows of resources and fund balances	\$ 1,740,478	\$ 61,991	\$ 1,802,469

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

Fund balances of governmental funds	\$ 1,534,649
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.

Capital assets	\$ 1,902,966	
Less: accumulated depreciation	<u>(1,226,617)</u>	676,349

Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the fund financial	<u>(13,081)</u>
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Total net position of governmental activities	\$ 2,197,917
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The accompanying notes are an integral part of these financial statements.

Town of Gilcrest, Colorado
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2020

	General	Conservation Trust (Nonmajor)	Total Governmental Funds
Revenues			
Taxes	\$ 535,850	\$ -	\$ 535,850
Licenses and permits	20,517	-	20,517
Charges for services	115,634	-	115,634
Fines and forfeitures	40,857	-	40,857
Intergovernmental	225,522	11,401	236,923
Earnings on investments	21,708	422	22,130
Miscellaneous revenue	8,375	-	8,375
Total revenues	968,463	11,823	980,286
Expenditures			
Current:			
General government	170,858	-	170,858
Public safety	151,678	-	151,678
Public works	203,868	-	203,868
Health and welfare	32,558	-	32,558
Culture, recreation and parks	79,215	10,400	89,615
Capital outlay	38,060	-	38,060
Total expenditures	676,237	10,400	686,637
Excess of revenues over expenditures	292,226	1,423	293,649
Other financing sources (uses)			
Transfers out	(2,000)	-	(2,000)
Total other financing sources (uses)	(2,000)	-	(2,000)
Net change in fund balance	290,226	1,423	291,649
Fund balances at beginning of year	1,195,067	47,933	1,243,000
Fund balances at end of year	\$ 1,485,293	\$ 49,356	\$ 1,534,649

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

Town of Gilcrest, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances with the Government-wide Statement of Activities
Year Ended December 31, 2020

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

Total net change in fund balances - governmental funds. \$ 291,649

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities these costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay exceeded depreciation during the period.

Capital outlay	\$ 37,281	
Depreciation expense	<u>(45,022)</u>	(7,741)

Increase in accrued compensated absences liability reflected against expense on the statement of activities and not reflected against expense on the governmental funds statement of revenue, expenditures and changes in fund balances. (4,650)

Change in net position of governmental activities \$ 279,258

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

Town of Gilcrest, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

	Water Fund	Sewer Fund	Stormwater Fund	Totals
Assets				
Current assets				
Equity in pooled cash and cash equivalents	\$ 519,644	\$ 88,383	\$ 95,474	\$ 703,501
Accounts and taxes receivable	34,130	25,698	2,321	62,149
Prepaid items	4,149	4,170	110	8,429
Total current assets	557,923	118,251	97,905	774,079
Noncurrent assets				
Restricted cash and cash equivalents	-	44,614	-	44,614
Capital assets				
Land and water rights	554,703	47,575	80,797	683,075
System enhancement fee	137,500	-	-	137,500
Buildings and improvements	30,019	3,600	-	33,619
Utility system	1,672,933	2,731,316	651,182	5,055,431
Equipment	69,481	78,428	14,614	162,523
Less accumulated depreciation	(1,060,409)	(1,172,452)	(127,556)	(2,360,417)
Total capital assets, net	1,404,227	1,688,467	619,037	3,711,731
Total noncurrent assets	1,404,227	1,733,081	619,037	3,756,345
Total assets	1,962,150	1,851,332	716,942	4,530,424
Liabilities				
Current liabilities				
Accounts payable	2,364	3,115	9	5,488
Accrued wages payable	26	205	(14)	217
Accrued interest payable	6,665	2,676	-	9,341
Due to other funds	-	-	3,340	3,340
Current portion of bonds and loans payable	24,294	44,210	-	68,504
Total current liabilities	33,349	50,206	3,335	86,890
Noncurrent liabilities				
Bonds and loans payable, net of current	68,165	574,615	-	642,780
Compensated absences	4,773	3,985	985	9,743
Total noncurrent liabilities	72,938	578,600	985	652,523
Total liabilities	106,287	628,806	4,320	739,413
Deferred inflows of resources				
Deferred revenue- property taxes	22,126	-	-	22,126
Total deferred inflows of resources	22,126	-	-	22,126
Net position				
Net investment in capital assets	1,311,768	1,069,642	619,037	3,000,447
Restricted for debt service	-	44,614	-	44,614
Unrestricted	521,969	108,270	93,585	723,824
Total net position	\$ 1,833,737	\$ 1,222,526	\$ 712,622	\$ 3,768,885

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

Town of Gilcrest, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2020

	Water Fund	Sewer Fund	Stormwater Fund	Totals
Operating revenues				
Charges for services	\$ 217,328	\$ 259,038	\$ 20,671	\$ 497,037
Total operating revenues	217,328	259,038	20,671	497,037
Operating expenses				
Operations and maintenance	126,211	110,186	9,222	245,619
Administration	44,687	45,507	-	90,194
Equipment (<\$5000)	-	-	-	-
Depreciation	33,969	111,429	13,836	159,234
Total operating expenses	204,867	267,122	23,058	495,047
Operating loss	12,461	(8,084)	(2,387)	1,990
Nonoperating revenues (expenses)				
Property taxes	20,990	-	-	20,990
Sales tax	-	-	-	-
Earnings on investments	3,149	950	649	4,748
Other nonoperating revenue	-	-	-	-
Interest expense	(8,563)	(7,796)	-	(16,359)
Total nonoperating revenues (expenses)	15,576	(6,846)	649	9,379
Loss before transfers	28,037	(14,930)	(1,738)	11,369
Grants and contributions	-	-	-	-
Loss on sale of capital assets	-	-	-	-
Transfers in	-	-	2,000	2,000
Transfers out	-	-	-	-
Changes in net position	28,037	(14,930)	262	13,369
Net position at beginning of year	1,805,700	1,237,456	712,360	3,755,516
Net position at end of year	\$ 1,833,737	\$ 1,222,526	\$ 712,622	\$ 3,768,885

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

Town of Gilcrest, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Water Fund	Sewer Fund	Stormwater Fund	Total
Cash flows from operating activities				
Cash received from customers	\$ 221,096	\$ 260,065	\$ 20,473	\$ 501,634
Cash payments to suppliers	(108,441)	(99,029)	(1,999)	(209,469)
Cash payments to employees	(68,851)	(61,238)	(6,855)	(136,944)
Net cash flows from operating activities	43,804	99,798	11,619	155,221
Cash flows from non-capital financing activities				
Property taxes	20,990	-	-	20,990
Change in interfund balances	114,700	-	3,340	118,040
Transfers in	-	-	2,000	2,000
Net cash flows from non-capital financing activities	135,690	-	5,340	141,030
Cash flows from capital and related financing activities				
Grants and contributions	-	-	-	-
Change in restricted cash and cash equivalents	-	(7,337)	-	(7,337)
Change in loan proceeds receivable	-	-	-	-
Cash paid for capital assets	(13,760)	(14,615)	(14,614)	(42,989)
Principal paid on long-term debt	(22,971)	(43,543)	-	(66,514)
Interest paid on long-term debt	(6,437)	(7,796)	-	(14,233)
Net cash flows from capital and related financing activities	(43,168)	(73,291)	(14,614)	(131,073)
Cash flows from investing activities				
Earnings on investments	3,149	950	649	4,748
Net cash flows from investing activities	3,149	950	649	4,748
Net change in cash and cash equivalents	139,475	27,457	2,994	169,926
Cash and cash equivalents at beginning of year	380,169	60,926	92,480	533,575
Cash and cash equivalents at end of year	\$ 519,644	\$ 88,383	\$ 95,474	\$ 703,501

Continued.

Town of Gilcrest, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Water Fund	Sewer Fund	Stormwater Fund	Total
Reconciliation of operating loss to net cash flows from operating activities				
Operating loss	\$ 12,461	\$ (8,084)	\$ (2,387)	\$ 1,990
Adjustments to reconcile operating loss to net cash flows from operating activities:				
Depreciation	33,969	111,429	13,836	159,234
Changes in operating assets and liabilities				
Accounts and taxes receivable	3,768	1,027	(198)	4,597
Prepaid items	(4,092)	(4,119)	(104)	(8,315)
Accounts payable	(3,375)	(1,377)	(85)	(4,837)
Accrued wages payable	(423)	(337)	(58)	(818)
Accrued payroll taxes payable	-	-	-	-
Accrued compensated absences payable	1,496	1,259	615	3,370
Net cash flows from operating activities	\$ 43,804	\$ 99,798	\$ 11,619	\$ 155,221

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

1. Summary of Significant Accounting Policies

Form of Organization

The Town of Gilcrest, Colorado (the Town) was founded in 1912 as a statutory town. The Town's major operations include general government; public safety; public works; culture, parks and recreation; health and welfare; and water, sewer and stormwater utilities.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the Town.

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 activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

The fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

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. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual, and so, 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.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15.

Governmental funds are used to account for all or most of a government's general activities. The following is the Town's major governmental fund:

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 other governmental fund (nonmajor fund) is a special revenue fund (Conservation Trust) and has been established to account for revenues derived from specific earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets, restricted for debt service, and unrestricted.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Town’s major enterprise funds include the Water, Sewer, and Stormwater funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgets

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

- By October 15, the Town Administrator submits to the Town Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Directors through passage of a formal resolution.
- The Town legally adopts budgets for all of the funds. Budgets for the general and special revenue funds are adopted on a basis consistent with GAAP. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, where payments for capital assets and principal amounts of debt are treated as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Board of Trustees. All appropriations lapse at year end.

The following table summarizes the individual fund budgeted expenditures for 2020, as originally adopted, and as revised:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General fund	\$ 919,307	\$ -	\$ 919,307
Conservation trust fund	11,988	-	11,988
Business type fund:			
Water fund	269,331	-	269,331
Sewer fund	284,501	-	284,501
Stormwater fund	33,564	-	33,564
Total funds	\$ 1,518,691	\$ -	\$ 1,518,691

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

Cash and Cash Equivalents

To improve cash management, cash received by the Town is pooled and invested. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as equity in pooled cash and cash equivalents on the financial statements. The Town considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Overdrawn balances in pooled cash accounts are treated by the Town as interfund liabilities, payable to the fund deemed to have made the loan. Short term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value, which approximates fair value.

Restricted Cash

The amount restricted in the Sewer Fund is in compliance with the 2015 revenue loan reserve requirements as described in Note 2.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the balance sheet.

Bond Premium and Debt Issuance Costs

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Debt issuance costs are recognized during the period of issuance.

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, water lines, storm-water drainage, and similar items) 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 \$5,000 or more 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 fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

Description	Governmental Activities	Business-Type Activities
Land	N/A	N/A
Water rights	N/A	N/A
System enhancement fee	N/A	N/A
Land improvements	40 Years	40 Years
Buildings and improvements	40 Years	10 - 40 Years
Utility systems	N/A	25 - 50 Years
Streets	20 Years	20 Years
Vehicles and equipment	5 - 15 Years	15 Years

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay. There is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of \$13,081 for the governmental activities and \$9,743 for the business-type activities on the statement of net position at December 31, 2020.

On the governmental fund financial statements, where applicable, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. At December 31, 2020, there is no accrual in the fund financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Capital lease obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the Board). The Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts. The General Fund is the only fund that would report a positive amount in unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Town considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

At December 31, 2020, fund balances are composed of the following:

	General Fund	Conservation Trust Fund	Total
Nonspendable:			
Prepaid items	\$ 22,819	\$ 287	\$ 23,106
Restricted:			
Emergencies	30,000	-	30,000
Parks and recreation	-	49,069	49,069
Unassigned	1,432,474	-	1,432,474
Total fund balances	\$ 1,485,293	\$ 49,356	\$ 1,534,649

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the Town by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the Town.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

2. Cash and Cash Equivalents

Custodial Credit Risk - Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2020, the Town had deposits with financial institutions with a carrying amount of \$464,972. The bank balances with the financial institutions was \$469,122 of which \$250,000 was covered by federal depository insurance. The remaining balances of \$217,044, were collateralized with securities held by the financial institutions' agents but not in the District's name

At December 31, 2020, the Town had cash and cash equivalent balances, including restricted cash, as follows:

Cash on hand	\$ 550
Cash deposits	266,757
Local government investment pool	1,963,132
Total cash and cash equivalents	\$ 2,230,439

Cash and cash equivalents, by statement, are as follows:

Statement of net position:	
Cash and cash equivalents	\$ 2,185,825
Restricted cash and cash equivalents	44,614
Total	\$ 2,230,439

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the Town may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

The Town’s policy is to hold investments until maturity.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2020, the Town had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust, discussed below.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

Local Government Investment Pools

At December 31, 2020, the Town had invested \$1,963,132 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 State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor’s and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents in the Sewer Fund are \$44,614 as established by the 2015 revenue bonds to be used to prevent default in the payment of the sewer revenue bonds and interest thereon.

3. Receivables

Receivables at December 31, 2020, consisted of the following:

Types	Governmental Activities	Business-Type Activities	Total
Taxes	\$ 237,549	\$ 22,126	\$ 259,675
Trade accounts	9,621	40,023	49,644
Intergovernmental	33,894	-	33,894
Total	\$ 281,064	\$ 62,149	\$ 343,213

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

4. Individual Fund Interfund Transfers and Balances Receivable/Payable

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, or to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	Transfers In	Transfers Out
Governmental funds:		
Major fund		
General	\$ -	\$ 2,000
Proprietary funds:		
Major funds		
Stormwater	2,000	-
Total	\$ 2,000	\$ 2,000

Interfund Balances Receivable/Payable

The Town's interfund receivables and payables at December 31, 2020 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from the need to cover the temporary negative cash positions in individual funds.

	Due to	Due from
Governmental funds:		
Major fund		
General	\$ 15,975	\$ -
Nonmajor fund		
Conservation Trust	-	12,635
Proprietary funds:		
Major funds		
Stormwater	-	3,340
Total	\$ 15,975	\$ 15,975

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

5. Capital Assets

A summary of changes in governmental activities capital assets for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 37,514	\$ -	\$ -	\$ 37,514
Total capital assets, not being depreciated	37,514	-	-	37,514
Capital assets, being depreciated:				
Land improvements	307,894	-	-	307,894
Buildings and improvements	135,201	-	-	135,201
Vehicles and equipment	599,593	37,281	-	636,874
Streets	785,483	-	-	785,483
Total capital assets, being depreciated	1,828,171	37,281	-	1,865,452
Less accumulated depreciation for:				
Land improvements	(95,146)	(7,620)	-	(102,766)
Buildings and improvements	(87,253)	(3,514)	-	(90,767)
Vehicles and equipment	(447,934)	(21,749)	-	(469,683)
Streets	(551,262)	(12,139)	-	(563,401)
Total accumulated depreciated	(1,181,595)	(45,022)	-	(1,226,617)
Total capital assets, being depreciated, net	646,576	(7,741)	-	638,835
Governmental activities capital assets, net	\$ 684,090	\$ (7,741)	\$ -	\$ 676,349

Depreciation expense for governmental activities has been allocated to various activities as follows:

Governmental Activities:	
General government	\$ 17,176
Public safety	13,825
Public works	6,207
Culture, recreation and parks	7,814
Total depreciation expense - governmental activities	\$ 45,022

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

A summary of changes in business-type activities capital assets for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 137,736	\$ -	\$ -	\$ 137,736
Water rights	545,339	-	-	545,339
System enhancement fee	137,500	-	-	137,500
Total capital assets, not being depreciated	820,575	-	-	820,575
Capital assets, being depreciated:				
Buildings and improvements	33,619	-	-	33,619
Equipment	119,534	42,989	-	162,523
Utility systems	5,055,431	-	-	5,055,431
Total capital assets, being depreciated	5,208,584	42,989	-	5,251,573
Less accumulated depreciation for:				
Buildings and improvements	(33,619)	-	-	(33,619)
Equipment	(112,662)	(149,708)	-	(262,370)
Utility systems	(2,054,902)	(9,526)	-	(2,064,428)
Total accumulated depreciation	(2,201,183)	(159,234)	-	(2,360,417)
Total capital assets, being depreciated, net	3,007,401	(116,245)	-	2,891,156
Total business-type activities capital assets, net	\$ 3,827,976	\$ (116,245)	\$ -	\$ 3,711,731

Depreciation expense was charged to function or programs of the Town's business-type activities as follows:

Business-type Activities:	
Water	\$ 33,969
Sewer	111,429
Stormwater	13,836
Total depreciation expense - business-type activities	\$ 159,234

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

6. Long-Term Debt

Business-type Activities:

2004 Energy Impact Assistance Loan (EIAF)

On September 1, 2004, the Town executed a \$90,000 promissory note with the State of Colorado, Department of Local Affairs to make improvements to the Town’s sewer system. The note is due in annual installments of \$7,312, principal and interest, at 5.0% through September 1, 2024. The Town agrees to establish rates and charges for the services of the sewer system in an amount sufficient to manage, operate and maintain, in an efficient and economical manner, the sewer system.

2009 Energy Impact Assistance Loan (EIAF)

On June 16, 2009, the Town executed a \$90,000 promissory note with the State of Colorado, Department of Local Affairs to make improvements to the Town’s water system. The note is due in annual installments of \$7,282, principal and interest, at 5.0% through September 1, 2029. The Town agrees to establish rates and charges for the services of the water system in an amount sufficient to manage, operate and maintain, in an efficient and economical manner, the potable water system.

1993 General Obligation Bonds

In 1993, the Town issued \$300,000 of general obligation bonds. The bonds were issued to construct, enlarge and improve the Town’s water system. The bonds are due in principal installments of \$16,400 in 2018 increasing to \$21,100 on October 28, 2022. The interest rate on these bonds is 6.125%.

2015 Colorado Water Resources and Power Development Authority Loan (CWRPDA)

On June 30, 2015, the Town executed a loan agreement totaling \$1,909,000 with the Colorado Water Resources and Power Development Authority to make improvements and upgrades to the Town’s wastewater treatment facility. The loan accrues interest at 1.00% and is payable in semi-annual principal and interest payments, beginning on November 1, 2016, with a maturity date of May 1, 2035. The loan is secured by the net revenues of the ownership and operation of the system, as defined within the Agreement. In 2018, the remaining loan principal was reduced by \$271,517 for unused project funds.

Changes in long-term debt for the year ended December 31, 2020 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-type activities:					
2004 EIAF loan	\$ 31,657	\$ -	\$ (5,729)	\$ 25,928	\$ 6,016
2009 EIAF loan	56,230	-	(4,471)	51,759	4,694
1993 general obligation bond	59,200	-	(18,500)	40,700	19,600
2015 CWRPDA loan	630,711	-	(37,814)	592,897	38,194
Accrued compensated absences	7,157	10,961	(8,375)	9,743	-
Total	\$ 784,955	\$ 10,961	\$ (74,889)	\$ 721,027	\$ 68,504

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

The following table represents future debt service requirements on the business-type activity debt as December 31, 2020:

Year	Principal	Interest	Total
2021	\$ 68,504	\$ 12,211	\$ 80,748
2022	70,922	10,092	81,014
2023	50,771	7,851	58,622
2024	51,752	6,870	58,622
2025	45,454	5,855	51,309
2026-2030	230,622	18,644	249,266
2031-2035	193,259	4,864	198,123
Total	\$ 711,284	\$ 66,387	\$ 777,704

7. Rate Maintenance

Sewer Fund

Pursuant to the 2015 CWRPDA loan, the Town must establish, maintain and enforce rates and charges for services rendered by the water system sufficient to create income and revenue each year, which pay maintenance and operation expenses of the system and cover the principal and interest payments of the water bond as they become due.

The following calculation shows the Town was in compliance with the rate maintenance provision of this loan agreement.

Operating revenues	\$ 259,038	
Less operating expenses, excluding depreciation	<u>(155,693)</u>	
Net revenue as defined in the bond agreement		103,345
2020 principal due	37,814	
2020 interest due	<u>6,213</u>	
	44,027	
	x110%	48,430
Amount the current year revenues were less than the 2015 loan agreement.		\$ 54,915

8. Pledged Revenues

The Town has pledged future water customer revenues, net of specified operating expenses, to repay the \$90,000, 2009 Energy Impact Assistance Loan. The proceeds were used to make water system improvements and are payable through 2029. Annual principal and interest payments on this debt is expected to require less than 50% of net revenues as defined in the debt agreements. Total principal and interest remaining to be paid on this debt is \$65,537. Principal and interest paid for the current year and total customer revenues were \$7,282 and \$218,328, respectively.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

The Town has pledged future sewer customer revenues, net of specified operating expenses, to repay \$90,000 in sewer system energy impact assistance loan issued in 2004. The proceeds were used to make sewer system improvements and are payable through 2024. Annual principal and interest payments on the loan are expected to require approximately 75% of net revenues of the sewer fund. Total principal and interest remaining to be paid on the bonds is \$29,248. Principal and interest paid for the current year and total customer revenues were \$7,312 and \$259,038, respectively.

9. Lease Revenue

The Town leases several plots of land to companies to place towers under operating lease agreements for five to ten year initial terms through 2030. The total lease revenue received as of December 31, 2020, was approximately \$30,000. The future minimum rent payments to be received are as follows:

Year		
2021	\$	32,179
2022		32,948
2023		33,736
2024		34,544
2025		35,372
2026 - 2030		190,032
	\$	358,811

10. Contingency

Risk Management

The Town is self insured for property and liability insurance. In order to mitigate risk, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts 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 they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2018 limit CIRSA's per occurrence exposure to \$1,000,000 for property coverage, \$1,000,000 for excess property coverage and provide coverage to specified upper limits. The excess of loss contract for workers' compensation coverage limits CIRSA's per occurrence exposure to \$500,000 for 2020 and provides coverage to statutory limits for the State of Colorado.

The Town's 2020 contributions were \$16,176 and \$4,718 for the property and casualty pool and the workers' compensation pool. The share of surplus at December 31, 2020, amounted to approximately \$16,000 and \$15,000 for the property and casualty pool and the workers' compensation pool, respectively.

The ultimate liability to the Town resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2020

11. Taxes, Spending, and Debt Limitations

In November 1992, Colorado voters passed an amendment (the Amendment or TABOR) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary of fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$30,000 for this purpose.

On November 7, 1995, the voting citizens of the Town of Gilcrest authorized the Town (retroactive to January 1, 1994) to retain all of the revenues from all sources generated during 1994 and subsequent years, and spend the same as a voter-approved revenue change as an exception to limits which would otherwise apply for each of said years. This effectively removed all revenue and spending limits imposed by TABOR.

12. Subsequent Events

The Town evaluated subsequent events through September 20, 2022, the date these financial statements were available to be issued.

In June 2022, the Town received notice from the Office of the State Auditor of Colorado (OSA), indicating that due to the Town's failure to timely file audited financial statements with the OSA, the OSA has issued a tax withhold for the Town. Accordingly, Conservation Trust Funds will be withheld from the Town until the Town is back in compliance.

No additional transactions or events that would require adjustment to the financial statements or note disclosures were identified.

Required Supplementary Information

Town of Gilcrest, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 417,617	\$ 417,617	\$ 535,850	\$ 118,233
Licenses and permits	13,320	13,320	20,517	7,197
Charges for services	77,490	77,490	115,634	38,144
Fines and forfeitures	27,710	27,710	40,857	13,147
Intergovernmental	194,708	194,708	225,522	30,814
Earnings on investments	12,867	12,867	21,708	8,841
Miscellaneous revenue	113,120	113,120	8,375	(104,745)
Total revenues	856,832	856,832	968,463	111,631
Expenditures				
Current:				
General government	224,932	224,932	170,858	54,074
Public safety	138,168	138,168	151,678	(13,510)
Public works	351,090	351,090	203,868	147,222
Health and welfare	35,350	35,350	32,558	2,792
Culture, recreation, and parks	123,353	123,353	79,215	44,138
Capital outlay	48,414	48,414	38,060	10,354
Total expenditures	921,307	921,307	676,237	245,070
Excess (deficiency) of revenues over expenditures	(64,475)	(64,475)	292,226	356,701
Other financing uses				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	2,000	2,000	(2,000)	(4,000)
Total other financing uses	2,000	2,000	(2,000)	(4,000)
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (62,475)	\$ (62,475)	290,226	\$ 352,701
Fund balance at beginning of year			1,195,067	
Fund balance at end of year			\$ 1,485,293	

See accompanying independent auditor's report.

Other Supplementary Information

Town of Gilcrest, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Conservation Trust Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State lottery funds	\$ 10,000	\$ 10,000	\$ 11,401	\$ 1,401
Earnings on investments	999	999	422	(577)
Total revenues	10,999	10,999	11,823	824
Expenditures				
Operating expenses	10,238	10,238	8,713	1,525
Well augmentation	1,750	1,750	1,687	63
Total expenditures	11,988	11,988	10,400	1,588
Net change in fund balance	\$ (989)	\$ (989)	1,423	\$ 2,412
Fund balance at beginning of year			47,933	
Fund balance at end of year			\$ 49,356	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Water Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 225,279	\$ 225,279	\$ 217,328	\$ (7,951)
Operating expenses				
Operations and maintenance	180,248	180,248	126,211	54,037
Administration	59,675	59,675	44,687	14,988
Total operating expenses	239,923	239,923	170,898	69,025
Operating income (loss)	(14,644)	(14,644)	46,430	61,074
Other revenues (expenses)				
Grants and contributions	10,000	10,000	-	(10,000)
Property taxes	22,126	22,126	20,990	(1,136)
Earnings on investments	9,799	9,799	3,149	(6,650)
Interest expense	(6,437)	(6,437)	(8,563)	(2,126)
Principal paid	(22,971)	(22,971)	(22,971)	-
Capital outlay	19,000	19,000	(13,760)	(32,760)
Total other revenues (expenses)	31,517	31,517	(21,155)	(52,672)
Excess (deficiency) of revenues over expenditures	\$ 16,873	\$ 16,873	25,275	\$ 8,402
Reconciliation to GAAP basis				
Depreciation			(33,969)	
Capital outlay			13,760	
Principal paid			22,971	
Change in net position - GAAP basis			28,037	
Net position at beginning of year			1,805,700	
Net position at end of year			\$ 1,833,737	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Sewer Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 211,500	\$ 211,500	\$ 259,038	\$ 47,538
Total operating revenues	211,500	211,500	259,038	47,538
Operating expenses				
Operations and maintenance	178,456	178,456	110,186	68,270
Administration	54,705	54,705	45,507	9,198
Total operating expenses	233,161	233,161	155,693	77,468
Operating income (loss)	(21,661)	(21,661)	103,345	125,006
Other revenues (expenses)				
Earnings on investments	2,018	2,018	950	(1,068)
Principal paid	(43,544)	(43,544)	(43,543)	1
Interest expense	(7,796)	(7,796)	(7,796)	-
Capital outlay	-	-	(14,615)	(14,615)
Total other revenues (expenses)	(49,322)	(49,322)	(65,004)	(15,682)
Excess of revenues over expenditures	\$ (70,983)	\$ (70,983)	38,341	\$ 109,324
Reconciliation to GAAP basis				
Depreciation			(111,429)	
Loan proceeds			-	
Capital outlay			14,615	
Principal paid			43,543	
Change in net position - GAAP basis			(14,930)	
Net position at beginning of year			1,237,456	
Net position at end of year			\$ 1,222,526	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Stormwater Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 21,400	\$ 21,400	\$ 20,671	\$ (729)
Total revenues	21,400	21,400	20,671	(729)
Expenses				
Public works	33,564	33,564	9,222	24,342
Total expenses	33,564	33,564	9,222	24,342
Operating income	(12,164)	(12,164)	11,449	23,613
Other revenues (expenses)				
Transfers in	2,000	2,000	2,000	-
Earnings on investments	-	-	649	
Capital outlay	-	-	14,614	14,614
Total other revenues (expenses)	2,000	2,000	17,263	14,614
Excess of revenues over expenditures	\$ (10,164)	\$ (10,164)	28,712	\$ 38,227
Reconciliation to GAAP basis				
Depreciation			(13,836)	
Capital outlay			(14,614)	
Change in net position - GAAP basis			262	
Net position at beginning of year			712,360	
Net position at end of year			\$ 712,622	

See accompanying independent auditor's report.

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Gilcrest
		YEAR ENDING : December 2020
This Information From The Records Of Town of Gilcrest	Prepared By: Phone:	Lorraine Trotter, Prof'l Mgmt Solutions 303-910-9197

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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	25,083
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	23,615
2. General fund appropriations	0	b. Snow and ice removal	0
3. Other local imposts (from page 2)	11,925	c. Other	0
4. Miscellaneous local receipts (from page 2)	6,087	d. Total (a. through c.)	23,615
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	48,698
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest & Costs of Issuance	
7. Total (1 through 6)	18,012	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	50,103	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	68,115	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	48,698

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	279,831	68,115	48,698	299,248	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2020	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	11,925	g. Other Misc. Receipts Co. Rd & Bridge	6,087
6. Total (1. through 5.)	11,925	h. Other	0
c. Total (a. + b.)	11,925	i. Total (a. through h.)	6,087
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	42,732	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	7,371	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	7,371	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	50,103	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)			0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
Notes and Comments:			