

TOWN OF GYPSUM, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2020

TOWN OF GYPSUM, COLORADO
FOR THE YEAR ENDED
December 31, 2020

TOWN COUNCIL

Steve Carver	—	Mayor
Tom Edwards	—	Mayor Pro-Tem
Chris Estes	—	Council Member
Chris Huffman	—	Council member
Bill Baxter	—	Council Member
Kathleen Brendza	—	Council Member
Lori McCole	—	Council Member

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gypsum's basic financial statements. The combining and individual fund financial statements and schedules, and the County, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets, which are listed as Other Supplemental Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements are fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

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

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
July 21, 2021

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2020 are as follows:

- In total, the Town's *overall* net position increased \$1,485,700 or 1.2% from the previous fiscal year.
- The Town's Governmental Activities General Revenues accounted for \$9,630,597 or 82% of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$2,076,748 or 18% of the Town's total revenues of \$11,707,345.
- Governmental Activities for the Town had \$11,358,720 in expenses, of which \$1,566,924 were offset by program specific charges for services and sales, \$411,089 by operating grants and capital grants and contributions totaling \$98,735.
- In the Town's business-type (utility enterprise) activities, fiscal year revenues exceeded expenses by \$1,230,075 thus increasing the activity's net position to \$55,313,925.

USING THE BASIC FINANCIAL STATEMENTS

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

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

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

FUND FINANCIAL STATEMENTS -- CONTINUED

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN AS A WHOLE

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

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS:						
Current and Other Assets	\$ 10,224	\$ 6,954	\$ 9,149	\$ 8,114	\$ 19,373	\$ 15,068
Other Non-Current Assets	-	-	171	179	171	179
Restricted Cash	10,790	10,652	17	352	10,807	11,004
Capital Assets, Net	51,553	54,323	49,405	49,702	100,958	104,025
Deferred Outflows of Resources	-	-	-	2	-	2
Total Assets – Deferred Outflows	<u>72,567</u>	<u>71,929</u>	<u>58,742</u>	<u>58,349</u>	<u>131,309</u>	<u>130,278</u>
LIABILITIES:						
Current & Other Liabilities	2,284	1,998	820	1,501	3,104	3,499
Long-term Liabilities	<u>1,701</u>	<u>1,614</u>	<u>2,608</u>	<u>2,764</u>	<u>4,309</u>	<u>4,378</u>
Total Liabilities	<u>3,985</u>	<u>3,612</u>	<u>3,428</u>	<u>4,265</u>	<u>7,413</u>	<u>7,877</u>
DEFERRED INFLOWS OF RESOURCES:						
Property Taxes	<u>791</u>	<u>782</u>	<u>-</u>	<u>-</u>	<u>791</u>	<u>782</u>
Total Deferred Inflows	<u>791</u>	<u>782</u>	<u>-</u>	<u>-</u>	<u>791</u>	<u>782</u>
NET POSITION:						
Invested in Capital Assets, Net of Related Debt	49,657	52,551	46,740	46,547	96,397	99,098
Restricted	11,051	10,984	17	352	11,068	11,336
Unrestricted	<u>7,083</u>	<u>4,000</u>	<u>8,557</u>	<u>7,185</u>	<u>15,640</u>	<u>11,185</u>
Total Net Position	<u>\$ 67,791</u>	<u>\$ 67,535</u>	<u>\$ 55,314</u>	<u>\$ 54,084</u>	<u>\$123,105</u>	<u>\$121,619</u>

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets and deferred outflows exceeded its liabilities and deferred inflows by \$123,105 million at December 31, 2020.

By far the largest portion of the Town's Net Position (78%) reflects its net investment of \$96 million in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net assets for the fiscal year 2020:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program Revenues:						
Charges for Services/Sales	\$ 1,567	\$ 1,891	\$ 2,733	\$ 2,443	\$ 4,300	\$ 4,334
Operating Grants & Contrib.	411	488	-	-	411	488
Capital Grants & Contrib.	99	100	1,573	1,912	1,672	2,012
Total Program Revenues	<u>2,077</u>	<u>2,479</u>	<u>4,306</u>	<u>4,355</u>	<u>6,383</u>	<u>6,834</u>
General Revenues and Transfers:						
Taxes	9,210	8,131	-	-	9,210	8,131
Intergovernmental Revenue	306	271	-	-	306	271
Interest/Investment Earnings	115	337	52	149	167	486
Gain on Asset Disposal	-	12	-	-	-	12
Transfers	<u>(93)</u>	<u>(88)</u>	<u>93</u>	<u>88</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>9,538</u>	<u>8,663</u>	<u>145</u>	<u>237</u>	<u>9,683</u>	<u>8,900</u>
Total Revenues	<u>11,615</u>	<u>11,142</u>	<u>4,451</u>	<u>4,592</u>	<u>16,066</u>	<u>15,734</u>
PROGRAM EXPENSES:						
General Government	2,135	2,008	-	-	2,135	2,008
Community Development	989	1,009	-	-	989	1,009
Public Safety	1,127	1,079	-	-	1,127	1,079
Streets & Public Works	4,190	4,008	-	-	4,190	4,008
Culture & Recreation	2,688	3,004	-	-	2,688	3,004
Economic Development	182	195	-	-	182	3195
Interest - Gen'l Obligations	48	48	-	-	48	48
Water Utility	-	-	1,718	1,503	1,718	1,503
Sewer Utility	-	-	1,174	1,188	1,174	1,188
Sanitation Utility	<u>-</u>	<u>-</u>	<u>329</u>	<u>283</u>	<u>329</u>	<u>283</u>
Total Expenses	<u>11,359</u>	<u>11,351</u>	<u>3,221</u>	<u>2,974</u>	<u>14,580</u>	<u>14,325</u>
INCREASE (DECREASE)						
IN NET POSITION	<u>\$ 256</u>	<u>\$ (209)</u>	<u>\$ 1,230</u>	<u>\$ 1,618</u>	<u>\$ 1,486</u>	<u>\$ 1,409</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN AS A WHOLE -- CONTINUED

Governmental Activities

Revenues

The Town's governmental activities revenues increased approximately \$473 thousand, or 4% from the prior year. Notable increases occurred in sales taxes collected as well as real estate transfer taxes.

Expenses

Program expenses for governmental activities increased approximately \$8 thousand, or less than 1% from the prior fiscal year. Increases occurred in streets repairs and maintenance and overall general government administrative costs.

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

<i>(In Thousands)</i>	<u>Total Cost of Service</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Government	\$ 2,135	\$ 2,008	\$ 1,675	\$ 1,444
Community Development	989	1,009	959	787
Public Safety	1,127	1,079	1,101	1,035
Streets & Public Works	4,190	4,008	3,693	3,425
Culture & Recreation	2,688	3,004	1,849	2,034
Economic Development	182	195	(43)	99
Interest - General Obligation Debt	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>
Total Expenses	<u>\$ 11,359</u>	<u>\$ 11,351</u>	<u>\$ 9,282</u>	<u>\$ 8,872</u>

The dependence on general revenues for governmental activities is essential. Approximately 82% of fiscal 2020 program services were supported through taxes and other general revenues, and 78% in 2019.

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

<i>(In Thousands)</i>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Operating Revenues	\$ 2,733	\$ 2,443
Capital Grants and Contributions	1,573	1,912
General Revenues	<u>52</u>	<u>149</u>
Total Revenues	<u>4,358</u>	<u>4,504</u>
Operating and Interest Expenses	<u>3,221</u>	<u>2,974</u>
Net Income (Loss), Before Capital Contributions	1,137	1,530
Transfer In (Out)	<u>93</u>	<u>88</u>
Change in Net Position	<u>\$ 1,230</u>	<u>\$ 1,618</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

THE TOWN'S FUNDS

Governmental Funds

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

The General Fund ending fund balance increased from \$4,511,405 to \$7,508,812 during the current fiscal year. The net increase of \$2,997,407 represents the excess of current period revenues (financial sources) over current period expenses (financial uses). The ending fund balance in the amount of \$7,508,812, which includes \$497,955 of reserves, is the amount of net resources available for future spending. Most financial resources are from taxes and intergovernmental revenues from state and county taxes.

The Conservation Trust Fund ending fund balance increased from \$65,443 to \$73,817 during the current fiscal year. The net increase of \$8,374 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$73,817 is the amount of net resources available for future spending. The majority of financial resources are intergovernmental revenues from state lottery proceeds.

The Parks and Recreation ending fund balance increased from \$122,990 to \$271,800 during the current fiscal year. The net increase of \$148,810 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$271,800 includes non-spendable items that total \$20,822 leaving assigned net resources available for future spending in the amount of \$250,978.

The Highway 6 Devolution Fund ending fund balance is increased from \$10,528,607 to \$10,597,304. The ending fund balance of \$10,597,304 represents the amount of restricted funding to be used for future maintenance of Highway 6 infrastructure located within the Town limits.

Proprietary Funds

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

The Water Enterprise Fund ending net position increased \$728,899 from \$37,429,575 to \$38,158,474.

The Sewer Enterprise Fund ending net position increased \$502,018 from \$16,250,230 to \$16,752,248.

The Sanitation Enterprise Fund ending net position decreased \$842 from \$404,045 to \$403,203.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

Proprietary Funds - *Continued*

Positive changes in net position reflect that the enterprise funds are currently generating enough operating and non-operating revenues to offset current year operating and non-operating expenses, while negative changes in net assets indicate that they are not. The net assets of the enterprise activities represent the amount of net resources, including capital assets, available to provide future utility services to the general public of the Town of Gypsum. Certain net assets have been restricted for future debt service in the Water Fund (\$16,518). Unrestricted net assets, those not restricted or invested in capital assets, that are available for future spending are \$4,659,987 in the Water Fund; \$3,784,667 in the Sewer Fund; and \$112,699 in the Sanitation Fund.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The budgeting system of the Town uses a line-item based budget, which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of fiscal 2020, the Town amended its General Fund budget. During 2020, the general fund original budget appropriation in the amount of \$9,499,974 was decreased by \$856,260 to the final budget appropriation of \$8,643,714 to more accurately reflect anticipated year-end use of available general fund resources.

General Fund Resources (Inflows)

The Town's General Fund budgetary revenues and other financing sources in the amount of \$10,859,449 exceeded budgetary expectations of \$10,147,490 by \$711,959. Notable positive variances occurred for real estate transfer taxes and sales tax collections. Further detail of individual line-item revenues for the general fund can be found in the 'Other Supplemental Information' section following the notes to the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's General Fund budgetary expenditures and other financing uses of \$7,862,042 were \$781,672 less than the final appropriated fund balance of \$8,643,714. Positive variances occurred across the Town as multiple planned projects and events were suspended as the community battled the Covid-19 pandemic. Further detail of individual line-item expenditures for the general fund can be found in the 'Other Supplemental Information' section following the notes to the financial statements.

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the Town had a total of \$100,958 million in capital assets, consisting of \$51,553 million in governmental activities and \$54,323 in business-type activities. The following reflects the balances of fiscal year 2020 compared to fiscal year 2019:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities		Activities			
<i>Net of Depreciation:</i>	2020	2019	2020	2019	2020	2019
Land	\$ 7,494	\$ 7,494	\$ 214	\$ 214	\$ 7,708	\$ 7,708
Water Rights	-	-	13,737	13,737	13,737	13,737
Construction-in-Progress	52	-	-	-	52	-
Buildings	12,494	12,976	50	52	12,544	13,028
Lines, Meters, Plant	-	-	420	178	420	178
Improvements	2,309	2,495	-	-	2,309	2,495
Equipment & Furniture	673	645	34,984	35,521	35,657	36,166
Ballfields	219	206	-	-	219	206
Infrastructure	28,312	30,507	-	-	28,312	30,507
Total Capital Assets	<u>\$ 51,553</u>	<u>\$ 54,323</u>	<u>\$ 49,405</u>	<u>\$ 49,702</u>	<u>\$ 100,958</u>	<u>\$ 104,025</u>

Debt

At December 31, 2020 the Town had a total of \$4,561,088 of outstanding long-term obligations, of which \$1,896,241 is carried in governmental activities and \$2,664,847 is carried in business-type activities. Additional information regarding debt service requirements is found in *Note 5* of the financial statements.

MAJOR INITIATIVES

Gypsum was not spared from the truly global impact of the pandemic. Early in the year, we took steps to curtail spending in anticipation of lower revenues only to find that, after an initial downturn, revenues rebounded to ultimately surpass the previous year. This had us scrambling to get projects back on track that we had initially decided to forgo. Among those were the Eagle Street and Eagle Court overlays, the cemetery sidewalk and the Porphyry overlay and V-pan replacement. We also managed to complete the US 6 Gypsum Creek Bridge guardrail. All told we spent a total of \$456,300 on General Fund Capital projects rather than the \$1,049,900 originally projected.

We made several upgrades in the Computer Support/Software categories including cloud-based storage, email encryption, cyber-security, Office 365 for all users and Granicus eComment subscription. We also launched a full Council Chamber audiovisual system upgrade and remodel.

2020 was a year of major utility construction throughout the town with Black Hills Energy constructing a new high-pressure main from Eagle through Gypsum and, beginning in late March 2020, Comcast launching an 18-month phased engineering and construction project to bring a state-of-the-art fiber-optic network into Gypsum. One leg of Black Hills route took them up the center of the southbound lane of Valley Road, from Cooley Mesa to Cottonwood Pass. This route was approved by the town because it afforded us the opportunity to have this lane of Valley Road reconstructed while the other lane, being in much better condition, was seal coated. With the new pavement being paid for by Black Hills only the seal coat came out of our Road Maintenance budget. Thus, very cost-effectively extending the life of this vitally important roadway.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2020

MAJOR INITIATIVES – *Continued*

Our water system saw a major upgrade with the installation of a new Supervisory Control and Data Acquisition (SCADA) system which is used to remotely monitor and control the water production and distribution system. Included in this project was the establishment of our own microwave gigabit telecommunication network connecting the Mosher and Norgaard water treatment plants as well as our remote tank and pump sites. Another Water Fund project involved the relocation of a pair of PRV valves to boost water system pressure in our Market Commercial Zone, along Highway 6 by extending the Tower Pressure Zone.

The sewer fund included the installation of the Chatfield Corners sewer line underdrain overflow pipeline which was a response to the record groundwater levels experienced there in 2019. We also added SCADA to our lift stations.

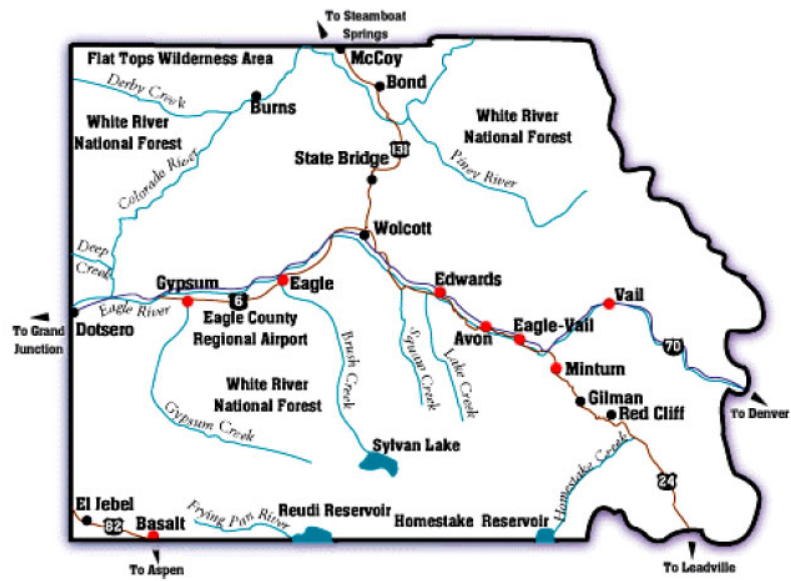
CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

Since 1990 the Town's population has increased from 1,750 to approximately 7,400. Although this growth has benefited the Town's financial position, the Town continues to seek ways to improve the quality and quantity of the services provided to the citizens of the Town of Gypsum. Sales and use tax revenue increased in 2020 when compared to 2019 by \$708,864 or 12%. Sales and use tax continue to be a principal source of the Town's governmental revenues, accounting for 79% of the General Fund revenues in 2020. In 2020, the Town's real estate transfer tax collections increased by \$277,829 or 26%, from 2019. The Town expects the slight increases in sales tax and a decline in use tax and real estate transfer taxes in 2021. Enterprise activities will continue to rely on charges for services.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

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



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities	Business-type Activities	Totals
Current Assets:			
Cash and Investments	\$ 9,013,096	\$ 8,811,091	\$ 17,824,187
Receivables:			
Property Taxes	791,358	-	791,358
Accounts Receivable	325,165	262,733	587,898
Intergovernmental	73,564	-	73,564
Other Receivables	-	75,545	75,545
Other Assets	20,822	-	20,822
Total Current Assets	<u>10,224,005</u>	<u>9,149,369</u>	<u>19,373,374</u>
Non-Current Assets:			
Restricted Cash Balance	10,790,214	16,518	10,806,732
Prepaid Water Purchase Lease Costs	-	171,450	171,450
Capital Assets:			
Non-Depreciable	7,493,797	13,951,111	21,444,908
Depreciable, Net	<u>44,059,117</u>	<u>35,453,790</u>	<u>79,512,907</u>
Total Non-Current Assets	<u>62,343,128</u>	<u>49,592,869</u>	<u>111,935,997</u>
Deferred Outflow of Resources:	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>72,567,133</u>	 <u>58,742,238</u>	 <u>131,309,371</u>
Liabilities:			
Accounts Payable	760,842	76,752	837,594
Accrued Interest Payable	6,844	6,728	13,572
Accrued Wages & Related Expenses	99,304	25,666	124,970
Accrued Vacation & Sick Pay	311,080	105,330	416,410
Other Liabilities	910,982	-	910,982
Unearned Revenue	-	548,990	548,990
Long-term Debt:			
Portion Due or Payable within One Year:			
Leases Payable	33,033	-	33,033
Lease Purchase – 2017 COP Refinance	161,966	57,344	219,310
Portion Due or Payable after One Year:			
Intergovernmental Loan	-	2,415,604	2,415,604
Lease Purchase – 2017 COP Refinance	1,452,484	191,899	1,644,383
Lease Payable	<u>248,758</u>	<u>-</u>	<u>248,758</u>
Total Liabilities	<u>3,985,293</u>	<u>3,428,313</u>	<u>7,413,606</u>
Deferred Inflow of Resources:			
From Property Taxes	<u>791,358</u>	<u>-</u>	<u>791,358</u>
Total Deferred Inflow of Resources	<u>791,358</u>	<u>-</u>	<u>791,358</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	49,656,673	46,740,054	96,396,727
Restricted for Emergencies	261,000	-	261,000
Restricted – Other (see <i>Note IQ</i>)	10,790,214	16,518	10,806,732
Unrestricted	<u>7,082,595</u>	<u>8,557,353</u>	<u>15,639,948</u>
TOTAL NET POSITION	<u>\$ 67,790,482</u>	<u>\$ 55,313,925</u>	<u>\$ 123,104,407</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2020

		PROGRAM REVENUES		
		Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
	<u>EXPENSES</u>			
FUNCTION/PROGRAM ACTIVITIES				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 2,134,790	\$ 459,519	\$ -	\$ -
Community Development	988,863	29,750	-	-
Public Safety	1,127,022	26,308	-	-
Streets and Public Works	4,190,214	86,362	411,089	-
Culture and Recreation	2,688,349	740,090	-	98,735
Economic Development	182,036	224,895	-	-
Interest on General Long-term Debt	47,446	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>11,358,720</u>	<u>1,566,924</u>	<u>411,089</u>	<u>98,735</u>
BUSINESS-TYPE ACTIVITIES:				
Water Utility	1,717,132	1,379,168	-	1,037,547
Sewer Utility	1,174,285	1,027,913	-	535,332
Sanitation Utility	329,049	325,974	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>3,220,466</u>	<u>2,733,055</u>	<u>-</u>	<u>1,572,879</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 14,579,186</u>	<u>\$ 4,299,979</u>	<u>\$ 411,089</u>	<u>\$ 1,671,614</u>

GENERAL REVENUES AND TRANSFERS:

Taxes:

Property Taxes, Levied for General Purposes
Specific Ownership Taxes, for General Purposes

Sales and Use Tax

Franchise Tax

Real-Estate Transfer Tax

Grants and Entitlements Not Restricted to Specific Programs:

Intergovernmental – County Sales Tax

Intergovernmental – Cigarette Tax

Unrestricted Interest and Investment Earnings

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (1,675,271)	-	\$ (1,675,271)
(959,113)	-	(959,113)
(1,100,714)	-	(1,100,714)
(3,692,763)	-	(3,692,763)
(1,849,524)	-	(1,849,524)
42,859	-	42,859
(47,446)	-	(47,446)
(9,281,972)	-	(9,281,972)
-	\$ 699,583	699,583
-	388,960	388,960
-	(3,075)	(3,075)
-	1,085,468	1,085,468
(9,281,972)	1,085,468	(8,196,504)
780,980	-	780,980
38,806	-	38,806
6,773,045	-	6,773,045
279,510	-	279,510
1,337,680	-	1,337,680
288,572	-	288,572
17,025	-	17,025
114,979	51,607	166,586
(93,000)	93,000	-
9,537,597	144,607	9,682,204
255,625	1,230,075	1,485,700
67,534,857	54,083,850	121,618,707
\$ 67,790,482	\$ 55,313,925	\$ 123,104,407

FUND FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	General Fund	Conservation Trust Fund	Parks and Recreation Fund
<u>ASSETS:</u>			
Cash and Investments	\$ 8,860,877	\$ 73,817	\$ 271,312
Receivables – Net:			
Property Taxes	791,358	-	-
Accounts Receivable	319,552	-	5,613
Intergovernmental Receivable	73,564	-	-
Other Assets	<u>-</u>	<u>-</u>	<u>20,822</u>
Total Assets	<u>\$ 10,045,351</u>	<u>\$ 73,817</u>	<u>\$ 297,747</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
Liabilities:			
Accounts Payable	\$ 747,503	\$ -	\$ 13,339
Accrued Wages & Related Expenses	86,696	-	12,608
Other Liabilities	<u>910,982</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,745,181</u>	<u>-</u>	<u>25,947</u>
Deferred Inflows of Resources:			
Unavailable Revenues From Property Taxes	<u>791,358</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows	<u>791,358</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Nonspendable	-	-	20,822
Restricted for -			
Enhancement Fund	119,093	-	-
Conservation Trust	-	73,817	-
Emergency Reserves	261,000	-	-
Highway 6 Devolution	-	-	-
Committed for -			
Wildlife Mitigation	117,862	-	-
Assigned for -			
Golf Course Operations	-	-	250,978
Unassigned	<u>7,010,857</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>7,508,812</u>	<u>73,817</u>	<u>271,800</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,045,351</u>	<u>\$ 73,817</u>	<u>\$ 297,747</u>

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

Highway 6 Devolution Fund	Total Governmental Funds
\$ 10,597,304	\$ 19,803,310
-	791,358
-	325,165
-	73,564
-	20,822
<u>\$ 10,597,304</u>	<u>\$ 21,014,219</u>
\$ -	\$ 760,842
-	99,304
-	910,982
<u>-</u>	<u>1,771,128</u>
<u>-</u>	<u>791,358</u>
<u>-</u>	<u>791,358</u>
-	20,822
-	119,093
-	73,817
-	261,000
10,597,304	10,597,304
-	117,862
-	250,978
-	7,010,857
<u>10,597,304</u>	<u>18,451,733</u>
<u>\$ 10,597,304</u>	<u>\$ 21,014,219</u>

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2020

TOTAL GOVERNMENTAL FUND BALANCES	\$ 18,451,733
----------------------------------	---------------

Amounts reported for governmental activities on the statement of net position
is different because of the following:

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

Governmental Capital Assets	\$ 90,059,480	
Less Accumulated Depreciation	<u>(38,506,566)</u>	51,552,914

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

Accrued Interest Payable	\$ (6,844)	
Accrued Compensated Absences	(311,080)	
Current Portion of Long-term Liabilities	<u>(194,999)</u>	(512,923)

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

(1,701,242)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 67,790,482

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Parks and Recreation Fund</u>
<u>Revenues:</u>			
Taxes	\$ 9,515,618	\$ -	\$ -
Licenses and Permits	79,566	-	-
Intergovernmental	411,089	37,983	-
Charges for Services	41,915	-	1,055,223
Community Development	514,902	-	-
Miscellaneous	251,203	-	-
Interest Income	45,156	371	755
	<u>10,859,449</u>	<u>38,354</u>	<u>1,055,978</u>
Total Revenues			
<u>Expenditures:</u>			
General Government	2,001,328	-	-
Community Development	949,773	-	-
Public Safety	1,098,671	-	-
Streets and Public Works	1,727,925	-	-
Culture and Recreation	921,909	29,980	1,063,386
Economic Development	182,036	-	-
Capital Outlay	456,300	-	73,262
Debt Service:			
Principal	-	-	157,326
Interest	-	-	44,294
	<u>7,337,942</u>	<u>29,980</u>	<u>1,338,268</u>
Total Expenditures			
Excess Revenues Over (Under) Expenditures	3,521,507	8,374	(282,290)
<u>Other Financing Sources and (Uses):</u>			
Transfers from Other Funds	-	-	431,100
Transfers (to) Other Funds	(524,100)	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,997,407	8,374	148,810
Fund Balances – Beginning	4,511,405	65,443	122,990
Fund Balances – Ending	<u>\$ 7,508,812</u>	<u>\$ 73,817</u>	<u>\$ 271,800</u>

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

Highway 6 Devolution Fund	Total Governmental Funds
\$ -	\$ 9,515,618
-	79,566
-	449,072
-	1,097,138
-	514,902
-	251,203
<u>68,697</u>	<u>114,979</u>
<u>68,697</u>	<u>12,022,478</u>
-	201,328
-	949,773
-	1,098,671
-	1,727,925
-	2,015,275
-	182,036
-	529,562
-	157,326
<u>-</u>	<u>44,294</u>
<u>-</u>	<u>8,706,190</u>
68,697	3,316,288
-	431,100
<u>-</u>	<u>(524,100)</u>
68,697	3,223,288
<u>10,528,607</u>	<u>15,228,445</u>
<u>\$ 10,597,304</u>	<u>\$ 18,451,733</u>

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2020

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 3,223,288

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

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

Capital Outlay	\$	632,800	
Depreciation		<u>(3,402,558)</u>	(2,769,758)

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

Lease Proceeds	\$	(315,133)	
Repayment of Principal		\$ 190,668	(124,465)

Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year. This is the amount total accrued leave decreased this year. (70,288)

Interest expense is recognized as an expenditure in the governmental funds when due, and this requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased. (3,152)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 255,625

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business-Type Activities			
	Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES:</u>				
Current Assets:				
Cash and Investments	\$ 4,919,975	\$ 3,787,142	\$ 103,974	\$ 8,811,091
Receivables – Net				
Accounts Receivable	126,775	100,343	35,615	262,733
Other Receivables	75,545	-	-	75,545
Total Current Assets	<u>5,122,295</u>	<u>3,887,485</u>	<u>139,589</u>	<u>9,149,369</u>
Non-Current Assets:				
Restricted Cash Balances	16,518	-	-	16,518
Prepaid Water Lease Costs	171,450	-	-	171,450
Capital Assets, Net of				
Accumulated Depreciation	36,146,816	12,967,581	290,504	49,404,901
Total Non-Current Assets	<u>36,334,784</u>	<u>12,967,581</u>	<u>290,504</u>	<u>49,592,869</u>
Deferred Outflow of Resources:				
Total Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 41,457,079</u>	<u>\$ 16,855,066</u>	<u>\$ 430,093</u>	<u>\$ 58,742,238</u>
<u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND NET POSITION:</u>				
Current Liabilities:				
Accounts Payable	\$ 43,820	\$ 25,609	\$ 7,323	\$ 76,752
Accrued Interest	6,728	-	-	6,728
Accrued Wages and Related Expenses	11,152	9,928	4,586	25,666
Accrued Vacation and Sick Pay	54,708	35,641	14,981	105,330
Unearned Revenue	517,350	31,640	-	548,990
Current Maturities of Long-term Debt - Net	57,344	-	-	57,344
Total Current Liabilities	<u>691,102</u>	<u>102,818</u>	<u>26,890</u>	<u>820,810</u>
Non-Current Liabilities:				
Lease Purchase – 2017 COP Refinance	191,899	-	-	191,899
Intergovernmental Loan	2,415,604	-	-	2,415,604
Total Non-Current Liabilities	<u>2,607,503</u>	<u>-</u>	<u>-</u>	<u>2,607,503</u>
Total Liabilities	<u>3,298,605</u>	<u>102,818</u>	<u>26,890</u>	<u>3,428,313</u>
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	33,481,969	12,967,581	290,504	46,740,054
Restricted for Debt Service	16,518	-	-	16,518
Unrestricted	4,659,987	3,784,667	112,699	8,557,353
Total Net Position	<u>38,158,474</u>	<u>16,752,248</u>	<u>403,203</u>	<u>55,313,925</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 41,457,079</u>	<u>\$ 16,855,066</u>	<u>\$ 430,093</u>	<u>\$ 58,742,238</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>OPERATING REVENUES:</u>				
Service Fees	\$ 1,229,449	\$ 1,027,913	\$ 325,974	\$ 2,583,336
Other Operating Revenues	149,719	-	-	149,719
Total Operating Revenues	<u>1,379,168</u>	<u>1,027,913</u>	<u>325,974</u>	<u>2,733,055</u>
<u>OPERATING EXPENSES:</u>				
System Operations:				
Salaries	282,210	196,348	102,423	580,981
Payroll Taxes	20,889	15,384	7,274	43,547
Employee Benefits	79,567	56,824	33,166	169,557
Utilities	80,335	93,165	-	173,500
Operating Supplies	38,547	39,272	33	77,852
Non-Capitalized Outlay/Repairs	43,228	39,421	-	82,649
Repairs and Maintenance	180,820	224,097	36,787	441,704
System Component Upgrades	13,892	-	-	13,892
Water Purchase	34,331	-	-	34,331
Landfill Fees	-	-	88,423	88,423
Eagle River Monitoring	9,000	-	-	9,000
Depreciation	532,452	393,022	-	925,474
Miscellaneous	7,385	1,605	-	8,990
Total System Operations	<u>1,322,656</u>	<u>1,059,138</u>	<u>268,106</u>	<u>2,649,900</u>
Administration:				
Salaries	84,439	58,099	38,568	181,106
Payroll Taxes	6,172	4,132	2,790	13,094
Employee Benefits	17,169	12,698	8,795	38,662
Office and Billing	10,843	10,790	10,790	32,423
Dues and Permits	2,726	-	-	2,726
Professional Services	153,008	12,673	-	165,681
Total Administration	<u>274,357</u>	<u>98,392</u>	<u>60,943</u>	<u>433,692</u>
Total Operating Expenses	<u>1,597,013</u>	<u>1,157,530</u>	<u>329,049</u>	<u>3,083,592</u>
Operating Income (Loss)	<u>(217,845)</u>	<u>(129,617)</u>	<u>(3,075)</u>	<u>(350,537)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Tap Fees	515,412	535,332	-	1,050,744
Dedication Fees	522,135	-	-	522,135
Interest Income	29,316	20,058	2,233	51,607
Interest Expense	(120,119)	(16,755)	-	(136,874)
Total Non-Operating Revenues (Expenses)	<u>946,744</u>	<u>538,635</u>	<u>2,233</u>	<u>1,487,612</u>
Income (Loss) Before Contributions & Transfers	728,899	409,018	(842)	1,137,075
Transfers In (Out)	<u>-</u>	<u>93,000</u>	<u>-</u>	<u>93,000</u>
Change in Net Position	728,899	502,018	(842)	1,230,075
Net Position – Beginning	<u>37,429,575</u>	<u>16,250,230</u>	<u>404,045</u>	<u>54,083,850</u>
Net Position – Ending	<u>\$ 38,158,474</u>	<u>\$ 16,752,248</u>	<u>\$ 403,203</u>	<u>\$ 55,313,925</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from Customers	\$ 1,365,341	\$ 1,012,368	\$ 322,615	\$ 2,700,324
Cash Payments for Goods and Services	(733,114)	(516,649)	(189,450)	(1,439,213)
Cash Payments to Employees	(353,161)	(252,848)	(131,738)	(737,747)
Net Cash Provided (Used) by Operating Activities	279,066	242,871	1,427	523,364
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Tap Fees	455,022	564,972	-	1,019,994
Additions to Property, Plant & Equipment	(284,129)	(53,431)	(290,504)	(628,064)
Water Dedication Fees	227,085	-	-	227,085
Proceeds from Loans	1,528,650	-	-	1,528,650
Transfers In (Out)	-	93,000	-	93,000
Principal (Paid) on Long-term Debt	(1,649,310)	(370,000)	-	(2,019,310)
Interest (Paid) on Long-term Debt	(113,879)	(15,076)	-	(128,955)
Net Cash Provided (Used) by Capital and Related Financing Activities	163,439	219,465	(290,504)	92,400
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest	29,316	20,058	2,233	51,607
Net Cash Provided (Used) by Investing Activities	29,316	20,058	2,233	51,607
Net Increase (Decrease) in Cash and Cash Equivalents	471,821	482,394	(286,844)	667,371
Cash at Beginning of Year	4,464,672	3,304,748	390,818	8,160,238
Cash at End of Year	\$ 4,936,493	\$ 3,787,142	\$ 103,974	\$ 8,827,609
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ (217,845)	\$ (129,617)	\$ (3,075)	\$ (350,537)
Non-Cash Expenses Included in Operating Income –				
Depreciation & Amortization	532,452	393,022	-	925,474
Other Deferred Cost Recognition	7,400	-	-	7,400
Change in Assets and Liabilities –				
Decrease (Increase) Receivables	(13,827)	(15,545)	(3,359)	(32,731)
Increase (Decrease) in Accounts Payable	(42,602)	(6,588)	(1,392)	(50,582)
Increase (Decrease) in Accrued Liabilities	13,488	1,599	9,253	24,340
Increase (Decrease) in Unearned Service Revenues	-	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ 279,066	\$ 242,871	\$ 1,427	\$ 523,364
<u>NON-CASH FINANCING ACTIVITY:</u>				
Infrastructure Dedications Accepted	\$ -	\$ -	\$ -	\$ -

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
For the Year Ended December 31, 2020

	<u>AGENCY FUNDS</u>	
	<u>Gypsum Recreation Center Capital Committee</u>	<u>Total Agency Funds</u>
<u>ASSETS:</u>		
Cash	\$ 239,331	\$ 239,331
Total Assets	<u>\$ 239,331</u>	<u>\$ 239,331</u>
<u>LIABILITITES:</u>		
Due to Town of Gypsum	\$ 56,380	\$ 56,380
Funds Held on Behalf of Entity	<u>182,951</u>	<u>182,951</u>
Total Liabilities	<u>\$ 239,331</u>	<u>\$ 239,331</u>

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

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

GOVERNMENTAL FUNDS

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

Special Revenue Funds

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

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

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

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

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

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

The Town legally adopted annual budgets for all of the Town's funds for 2020.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

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

	Original	Revised	Increase (Decrease)
General Fund	\$ 9,499,974	\$ 8,643,714	\$ (856,260)
Conservation Trust Fund	106,936	29,980	(76,956)
Parks and Recreation Fund	1,486,048	1,454,286	(31,762)
Water Fund	3,146,032	3,511,135	365,103
Sewer Fund	2,362,565	1,272,336	(1,090,229)
Sanitation Fund	362,350	639,250	276,900
Highway 6 Devolution Fund	-	-	-

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

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

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Water Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 1,170,000	\$ 1,379,168	\$ 209,168
GAAP Non-Operating Revenues	780,950	1,066,863	285,913
GAAP Capital Contributions	-	-	-
Debt Proceeds	1,528,650	1,528,650	-
Total Budgetary Based Revenues	<u>\$ 3,479,600</u>	<u>\$ 3,974,681</u>	<u>\$ 495,081</u>
Expenses			
GAAP Operating Expenses	\$ 1,271,844	\$ 1,597,013	\$ (325,169)
GAAP Non-Operating Expenses	116,589	120,119	(3,530)
Capital Outlay	476,100	284,129	191,971
Less Infrastructure Dedications	-	-	-
Debt Retirement	1,646,602	1,649,310	(2,708)
Accrued Interest	-	(6,240)	6,240
Amortization of Prepaid Water Lease	-	(7,400)	7,400
Depreciation	-	(532,452)	532,452
Total Budgetary Based Expenses	<u>\$ 3,511,135</u>	<u>\$ 3,104,479</u>	<u>\$ 406,656</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Sewer Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 1,012,600	\$ 1,027,913	\$ 15,313
GAAP Non-Operating Revenues	493,800	555,390	61,590
Transfer In(Out)	<u>93,000</u>	<u>93,000</u>	<u>-</u>
Total Budgetary Based Revenues	<u>\$ 1,599,400</u>	<u>\$ 1,676,303</u>	<u>\$ 76,903</u>
Expenses:			
GAAP Operating Expenses	\$ 791,161	\$ 1,157,530	\$ (366,369)
GAAP Non-Operating Expenses	15,175	16,755	(1,580)
Capital Outlay	96,000	53,431	42,569
Less Infrastructure Dedications	-	-	-
Debt Retirement	370,000	370,000	-
Amortization of Deferred Int/Prem.	-	(2,913)	2,913
Accrued Interest	-	1,233	(1,233)
Depreciation	<u>-</u>	<u>(393,022)</u>	<u>393,022</u>
Total Budgetary Based Expenses	<u>\$ 1,272,336</u>	<u>\$ 1,203,014</u>	<u>\$ 69,322</u>
<u>Sanitation Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 326,500	\$ 325,974	\$ (526)
GAAP Non-Operating Revenues	<u>3,000</u>	<u>2,233</u>	<u>(767)</u>
Total Budgetary Based Revenues	<u>\$ 329,500</u>	<u>\$ 328,207</u>	<u>\$ (1,293)</u>
Expenses:			
GAAP Operating Expenses	\$ 339,250	\$ 329,049	\$ 10,201
GAAP Non-Operating Expenses	-	-	-
Capital Outlay	300,000	290,504	9,496
Debt Retirement	-	-	-
Depreciation and Amortization	<u>-</u>	<u>-</u>	<u>-</u>
Total Budgetary Based Expenses	<u>\$ 639,250</u>	<u>\$ 619,553</u>	<u>\$ 19,697</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

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

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

G. Inventories

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

H. Capital Assets/Depreciation

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

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

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

I. Customer Accounts Receivable

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Inter-fund Transactions

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

P. Internal Balances

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

Q. Net Position and Fund Balances

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

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position and Fund Balances - continued

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

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

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

Enhancement Fund – Amounts on deposit received from Holy Cross Energy, *restricted* for use in beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events and grounding of overhead electric and other utility lines. At December 31, 2020 a total of \$119,093 was restricted in the General Fund for this purpose.

Conservation Trust – Amounts on deposit received from lottery monies from the State of Colorado *restricted* for use in the acquisition, development and maintenance of new conservation and recreation sites pursuant to Colorado Revised Statutes. At December 31, 2020 \$73,817 was restricted in the Conservation Trust Fund.

Debt Service – Amounts on deposit *restricted* for future debt service in accordance CWCB intergovernmental loan and 2005 bond issue agreement. At December 31, 2020 amounts restricted for Debt Service were \$16,518 in the Water Fund.

Emergency Reserves – As discussed in *Note 13*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures. These funds may only be expended in cases of emergencies as defined by the amendment, and are used to fund appropriations only after unrestricted resources are depleted. Total Emergency Reserves at December 31, 2020 were \$261,000.

Highway 6 Devolution – Amounts on deposit received from the Colorado Department of Transportation for the use in maintaining 5.7 miles of Highway 6 within the Town Limits. At December 31, 2020 \$10,597,304 was restricted in the Highway 6 Devolution Fund.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position and Fund Balances - continued

Governmental fund balances - *continued*:

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

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

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

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

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

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

R. Use of Estimates

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

S. Fair Value Measurements

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS

A. Deposits and Investments

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

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS (continued)

A. Deposits and Investments (continued)

The Town's bank deposits were entirely covered by federal depository insurance (FDIC) or collateralized under PDPA in accordance with state statute, and had bank balances of \$3,716,248 of which \$376,300 was covered by FDIC insurance and \$3,339,948 by PDPA as described above.

Local Government Investment Pool (ColoTrust)

As of December 31, 2020, the Town had invested \$25,141,235 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2020, the Town had \$0 invested in COLOTRUST PRIME, and \$25,141,235 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS (continued)

B. Total Cash and Cash Equivalents

A summary of the Town's cash and cash equivalents at December 31, 2020 (inclusive of Agency Funds) are classified below:

Checking/Money Market	\$ 3,716,248
Local Government Investment Pools	25,141,235
Other Investments	<u>-</u>
Total Balances	28,857,483
Cash on Hand	1,350
Net Outstanding Items	<u>11,417</u>
Total Cash and Cash Equivalents	<u>\$ 28,870,250</u>

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

Governmental Activities	\$ 19,803,310
Business Type Activities	8,827,609
Fiduciary Activities	<u>239,331</u>
Total Cash and Cash Equivalents	<u>\$ 28,870,250</u>

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colotrust (Local Govt Investment Pool)	\$ 25,141,235	AAAm	Standard & Poors

C. Risk Disclosures

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - CASH AND INVESTMENTS (continued)

C. Risk Disclosures – (continued)

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

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

The Town was not subject to foreign currency risk as of December 31, 2020.

D. Restricted Cash

At December 31, 2020 the Town's had restricted cash balances as follows:

Governmental Activities

General Fund:

Enhancement Fund	<u>119,093</u>
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Special Revenue Fund:

Conservation	73,817
Highway 6 Devolution	<u>10,597,304</u>
Total Special Revenue Fund Restricted Cash	<u>10,671,121</u>

Total Governmental Activities	<u>\$ 10,790,214</u>
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Business-type Activities

Water Fund:

Colorado Conservation Water Board Loan	<u>\$ 16,518</u>
Total Water Fund Restricted Cash	<u>16,518</u>

Total Business-type Activities	<u>\$ 16,518</u>
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TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - CAPITAL ASSETS

Governmental Activities:

Capital asset activity for Governmental Activities for the year ended December 31, 2020 as follows:

	Balances 01/01/20	Additions	Reductions	Balances 12/31/20
<i>GOVERNMENTAL ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 7,493,797	\$ -	\$ -	\$ 7,493,797
Construction-in-Progress	-	52,167	-	52,167
Depreciable Capital Assets:				
Buildings	19,441,156	-	-	19,441,156
Improvements	4,248,300	-	-	4,248,300
Equipment & Furniture	4,472,271	287,070	(550,602)	4,208,739
Ballfields	625,541	36,185	-	661,726
Infrastructure	53,696,217	257,378	-	53,953,595
Total at Historical Cost	<u>89,977,282</u>	<u>632,800</u>	<u>(550,602)</u>	<u>90,059,480</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(6,465,222)	(481,815)	-	(6,947,037)
Improvements	(1,753,478)	(185,519)	-	(1,938,997)
Equipment & Furniture	(3,827,149)	(242,660)	550,602	(3,519,207)
Ballfields	(420,264)	(39,686)	-	(459,950)
Infrastructure	(23,188,497)	(2,452,878)	-	(25,641,375)
Total Accum. Depreciation	<u>(35,654,610)</u>	<u>(3,402,558)</u>	<u>550,602</u>	<u>(38,506,566)</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 54,322,672</u>	<u>\$ (2,769,758)</u>	<u>\$ -</u>	<u>\$ 51,552,914</u>

For the fiscal year ending December 31, 2020, depreciation expense for governmental activities of \$3,402,558 has been included in the various functions on the statement of activities as follows:

General Government	\$ 77,385
Community Development	30,142
Public Safety	28,351
Streets and Public Works	2,634,276
Culture and Recreation	<u>632,404</u>
Total Governmental Depreciation	<u>\$ 3,402,558</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - CAPITAL ASSETS (continued)

Business-type Activities:

Capital asset activity for Business-Type Activities for the year ended December 31, 2020, was as follows:

	Balances 01/01/20	Additions	Reductions	Balances 12/31/20
<i>BUSINESS-TYPE ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 213,990	\$ -	\$ -	\$ 213,990
Water Rights/Rights-of-Way	13,737,121	-	-	13,737,121
Work-in-Progress	-	-	-	-
Depreciable Capital Assets:				
Buildings	110,000	-	-	110,000
Equipment & Furniture	1,777,771	290,504	-	2,038,275
Lines, Meters, Plant	48,885,895	337,560	-	49,223,455
Total at Historical Cost	<u>64,724,777</u>	<u>628,064</u>	<u>-</u>	<u>65,352,841</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(57,750)	(2,750)	-	(60,500)
Equipment & Furniture	(1,599,885)	(47,802)	-	(1,647,687)
Lines, Meters, Plant	(13,364,831)	(874,922)	-	(14,239,753)
Total Accum. Depreciation	<u>(15,022,466)</u>	<u>(925,474)</u>	<u>-</u>	<u>(15,947,940)</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 49,702,311</u>	<u>\$ (297,410)</u>	<u>\$ -</u>	<u>\$ 49,404,901</u>

Business type activities equipment and furniture increased with the purchase of a new trash truck. Lines, meters and plant increased with addition of a sewer underdrain and SCADA water system improvements.

For the fiscal year ending December 31, 2020, depreciation expense of \$925,474 for business-type activities has been included in the various functions on the statement of activities as follows:

Water Utility	\$ 532,452
Sewer Utility	393,022
Sanitation Utility	<u>-</u>
Total Business-type Depreciation	<u>\$ 925,474</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 - DEFERRED OUTFLOW OF RESOURCES

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

<u>Business-Type Activities</u>	<u>Unamortized Balance 01/1/20</u>	<u>Current Year Deferred Additions</u>	<u>Current Year Amortization</u>	<u>Unamortized Balance 12/31/20</u>
Sewer Fund:				
Loss on Refunding	\$ 2,260	\$ -	\$ (2,260)	\$ -
Total Business-Type Deferred Charges	\$ 2,260	\$ -	\$ (2,260)	\$ -

NOTE 5 - LONG-TERM OBLIGATIONS

Changes in the Town's long-term obligations during the fiscal year ended December 31, 2020 are as follows:

	<u>Balances 01/01/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/20</u>	<u>Amounts Due Within One Year</u>
<i>GOVERNMENTAL ACTIVITIES</i>					
<u>Notes/Leases:</u>					
Lease Purchase	\$1,771,776	\$ -	\$ (157,326)	\$1,614,450	\$ 161,966
Yamaha Finance	-	315,133	(33,342)	281,791	33,033
GOVERNMENTAL LONG-TERM OBLIGATIONS					
	<u>\$1,771,776</u>	<u>\$ 315,133</u>	<u>\$ (190,668)</u>	<u>\$1,896,241</u>	<u>\$ 194,999</u>

Total compensated absences for governmental activities, consisting of accrued vacation and sick pay, in the amount of \$311,080 have been accrued on the financial statements and are not anticipated to be satisfied in the current period.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

	Balances 01/01/20	Additions	Reductions	Balances 12/31/20	Amounts Due Within One Year
<i>BUSINESS-TYPE ACTIVITIES</i>					
<u>Notes/Leases:</u>					
Lease Purchase \$	234,084	\$ -	\$ (20,786)	\$ 213,298	\$ 21,399
CWCB Loan	2,551,423	-	(1,608,007)	943,416	-
CWRPDA Loan	-	1,528,650	(20,517)	1,508,133	35,945
<u>Bonds:</u>					
Series 2009	370,000	-	(370,000)	-	-
Bond Premium/ Discount	(652)	-	652	-	-
BUSINESS-TYPE LONG-TERM OBLIGATIONS	<u>\$ 3,154,855</u>	<u>\$ 1,582,650</u>	<u>\$ (2,018,658)</u>	<u>\$ 2,664,847</u>	<u>\$ 57,344</u>

Total compensated absences for business-type activities, consisting of accrued vacation and sick pay, in the amount of \$105,330 has been accrued on the financial statements and are not anticipated to be satisfied in the current period.

The premium on the Series 2009 Sewer Revenue Refunding Bonds is being accreted over the term of the note and the remaining unamortized OID on the 2000 sewer bonds that were refinanced in 2009 are being amortized over the term of the note. The total current year net (accretion)/amortization in the amount of \$652 is included in the business type activities of the Sewer Utility function.

Governmental Activities:

A. Financing Lease - Series 2017 Lease Purchase Refunding Loan

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Governmental Activities (continued):

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

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

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

Year Ending December 31	Principal	Interest	Total
2021	\$ 161,966	\$ 40,361	\$ 202,327
2022	165,573	36,312	201,885
2023	169,050	32,173	201,223
2024	172,393	27,947	200,340
2025	180,015	23,637	203,652
2026-2029	<u>765,453</u>	<u>48,494</u>	<u>813,947</u>
Total Lease Purchase Payable – Governmental Activities	<u>\$ 1,614,450</u>	<u>\$ 208,924</u>	<u>\$ 1,823,374</u>

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

C. Lease Payable – Yamaha Motor Corporation, Inc.

The Town entered into a lease purchase agreement effective November 19, 2019 in the amount of \$315,133 with Yamaha Motor Corporation, Inc., subject to annual appropriation, interest rate of 4.88% with (61) monthly payments of \$7,700 until October 2024 and a lump payment of \$140,000 in November 2024. Payments are scheduled during golf course operating months of May through October. (12-month payment period). Expenditures for payments made on this lease are reflected as lease expense for golf course operations in the Parks and Recreation Fund. The rent expense for 2020 amounted to \$46,620. The annual requirements to amortize the Governmental Activities portion of the Yamaha Motor Corporation, Inc. debt are as follows:

Year Ending December 31	Principal	Interest	Total
2021	33,033	13,587	46,620
2022	34,682	11,938	46,620
2023	36,413	10,207	46,620
2024	<u>177,663</u>	<u>8,957</u>	<u>186,620</u>
Total Lease Purchase Payable – Governmental Activities	<u>\$ 281,791</u>	<u>\$ 44,689</u>	<u>\$ 326,480</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Business-Type Activities:

A. Intergovernmental Loans - CWCB

The Town entered into a loan agreement dated July 14, 2009 between the Department of Natural Resources Colorado Water Conservation Board (CWCB) and the Town of Gypsum Water Activity Enterprises for the reconstruction of the LEDE Ditch & Reservoir. The Colorado Water Conservation Board has approved a loan with a maximum amount of \$2,689,731 for up to 90% of the project costs with a 1% loan service charge and interest at 4.50% per annum. The repayment term is 30 years. The total loan amounted to \$2,689,731 secured by water user charges and fees. The loan is a 30-year loan maturing January 1, 2047 and is payable in annual installments (beginning January 1, 2018) of \$165,127. As part of the debt covenants a reserve account in the amount of one – tenth the annual payment (\$16,518) has been created. In July 2021 the Town elected to retire \$1,528,650 of this obligation early using debt proceeds from the financing of the Hydro Electric Plant (see CWRPDA loan). The early payoff resulted in interest savings of \$1,608,758. The obligation is carried in the Water Utility Enterprise business type activity at \$943,416 as of December 31, 2020. The Town's annual debt service is as follows:

Year Ending December 31	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	122,673	42,454	165,127
2023	128,193	36,933	165,126
2024	133,962	31,165	165,127
2025	139,990	25,136	165,126
2026-2030	418,598	76,783	495,381
	<u>\$ 943,416</u>	<u>\$ 212,471</u>	<u>\$ 1,155,887</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Business-type Activities (continued):

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

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

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 21,399	\$ 5,332	\$ 26,731
2022	21,875	4,797	26,672
2023	22,335	4,251	26,586
2024	22,776	3,693	26,469
2025	23,783	3,123	26,906
2025-2029	<u>101,130</u>	<u>6,407</u>	<u>107,537</u>
Total Lease Purchase Payable – Business-type Activities	<u>\$ 213,298</u>	<u>\$ 27,603</u>	<u>\$ 240,901</u>

C. Sewer Revenue Refunding Bonds, Series 2009

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

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

The debt obligation was fully retired in 2020 with the final payment of \$370,000 being made.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Business-type Activities (continued):

D. Colorado Water Resources and Power Development Authority (CWRPDA)

The Town entered into a loan agreement dated May 1, 2020 between the Colorado Water Resources and Power Development Authority (CWRPDA) and the Town of Gypsum Water Activity Enterprises for construction of the Hydro Electric Power generating system along Gypsum Creek. The approved loan in the amount of \$1,528,650 carries an interest rate of 2.50% per annum and a repayment term of 30 years. The loan matures in 30-years on November 1, 2049 and is payable in semi-annual installments beginning May 1, 2020, with annual payments totaling \$73,425. The obligation is carried in the Water Utility Enterprise business type activity with a balance of \$1,525,774 as of December 31, 2020. The Town's annual debt service is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 35,945	\$ 37,480	\$ 73,425
2021	36,849	36,576	73,425
2022	37,776	35,649	73,425
2023	38,727	34,699	73,426
2024	39,701	33,724	73,425
2025-2030	213,996	153,129	367,125
2031-2035	242,302	124,823	367,125
2036-2040	274,352	92,774	367,126
2041-2045	310,640	56,485	367,125
2046-2049	<u>277,845</u>	<u>15,855</u>	<u>293,700</u>
Total Loan Payable – Business Type Activities	<u>\$ 1,508,133</u>	<u>\$ 621,194</u>	<u>\$ 2,129,327</u>

NOTE 6 - OPERATING LEASE COMMITMENTS

A. The Town leases copiers from Xerox Financial Services, Inc., subject to annual appropriation, under a sixty-month operating lease. Monthly payments are \$1,355, the lease expires January 28, 2024. Rent expense amounted to \$16,260 during 2020. Future minimum lease payments of the Town's long-term operating lease are as follows:

2021	\$ 16,260
2022	16,260
2023	16,260
2024	<u>1,355</u>
Total	<u>\$ 50,135</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - DEFERRED COMPENSATION PLAN

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

NOTE 8 - MONEY PURCHASE PENSION PLAN

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

Full-time employees become eligible after six months of service with the Town and are required, as a condition of employment, to participate in the Plan immediately upon eligibility. Through payroll withholdings remitted to CCOERA, employees contribute 7% of regular compensation which totaled \$201,417 during the year. The Town contributes a matching 7% of eligible compensation which was \$201,417 during the current fiscal year. Total covered payroll for the year subject to participation was \$2,877,393 compared to total payroll of \$3,246,212. Participants are 33 1/3% vested in employer contributions each year with 100% vesting after three years. The Town has no other liability under the plan.

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

NOTE 9 - COMMITMENTS

- A. Cost Recovery Agreements Water and Sewer Taps – The Town has entered into subdivision improvement agreements with various land developers. Some of the agreements contain provisions that provide for payments to the developers for portions of water and sewer tap fees that will be collected by the Town. No obligations exist and a liability is not recorded until the Town actually collects the tap fees.
- B. During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives consider the majority of claims or assertions to be without merit and believe the outcome will not materially affect the fairness of the presentation of the financial statements at December 31, 2020.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 11 - RISK MANAGEMENT

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

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

There is no current or long-term debt outstanding and the above liabilities include reserves for incurred claims and an estimated liability for incurred but not reported claims at December 31, 2020. No claim or judgment liability has been recorded in the Town's financial statements as the risk of liability is pooled with other members under CIRSA. The Town's settled claims have not exceeded their insurance coverage in any of the last three years. Additional information may be obtained from separately issued CIRSA financial statements by contacting CIRSA at 950 South Cherry Street, Suite 800, Denver, CO 80246 or (303) 757-5475.

NOTE 12- INTERGOVERNMENTAL AGREEMENTS

Gypsum Community Recreation Center Agreement

The Town and Mountain Recreation District entered into an agreement for the construction, ownership and operation of a community recreation facility located in Gypsum, Colorado. The District is responsible for the operation and maintenance of the community recreation center and the Town retains full fee simple title to the community center and community center site. In 2020, the Recreation Center encountered a deficit in operations; therefore, as stated in the agreement, a contribution equal to one-half of the operating deficit, \$320,154 has been accrued and will be paid to the District for the fiscal year ended December 31, 2020, the expenditure is reflected in the General Fund.

NOTE 13 - COMPLIANCE

A. TABOR Amendment

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 13 - COMPLIANCE (continued)

A. TABOR Amendment - continued

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding voter approved debt service). The required reserve at December 31, 2020 is \$261,000.

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

B. Sewer Revenue Bond Covenants

The Town was in compliance with both the rate covenant and the minimum reserve fund covenant. The Bond has been paid in full.

C. Colorado Water Conservation Board Loan Covenants

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

D. Aviation Fuel Sales Tax

The Aviation Fuel Tax Calculation Report and tracking of related revenue and expenditures has been prepared by management and is in compliance with the FAA Revenue Use Policy. No liabilities exist at December 31, 2020.

E. Contraband

The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses the accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2020 no such proceeds were received by the Town and as such are not included in the Town's audited financial statements.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2020 through the issuance date of this report. In early 2020 a worldwide pandemic arose caused by the coronavirus Covid-19 and is ongoing into 2021, which has negatively impacted the general operations of the Town. The Town's management and Town Council has acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor's report. There have been no additional material events noted during this period that would impact the result reflected in this report or the Town's results going forward.

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Taxes	\$ 7,838,862	\$ 8,884,832	\$ 9,515,618	\$ 630,786
Licenses and Permits	53,000	69,677	79,566	9,889
Intergovernmental	425,420	415,000	411,089	(3,911)
Charges for Services	73,400	44,930	41,915	(3,015)
Community Development	492,145	477,154	514,902	37,748
Miscellaneous	200,520	225,897	251,203	25,306
Interest	121,000	30,000	45,156	15,156
Total Revenues	<u>9,204,347</u>	<u>10,147,490</u>	<u>10,859,449</u>	<u>711,959</u>
<u>Expenditures:</u>				
General Government	1,909,499	2,207,624	2,001,328	206,296
Community Development	1,028,300	951,684	949,773	1,911
Public Safety	1,122,850	1,104,850	1,098,671	6,179
Streets and Public Works	2,566,100	1,975,635	1,727,925	247,710
Culture and Recreation	1,354,025	1,088,413	921,909	166,504
Economic Development	315,800	336,208	182,036	154,172
Capital Outlay	527,400	455,200	456,300	(1,100)
Total Expenditures	<u>8,823,974</u>	<u>8,119,614</u>	<u>7,337,942</u>	<u>781,672</u>
Excess Revenues Over (Under) Expenditures	380,373	2,027,876	3,521,507	1,493,631
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) Other Funds	<u>(676,000)</u>	<u>(524,100)</u>	<u>(524,100)</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(295,627)	1,503,776	2,997,407	1,493,631
Fund Balances – Beginning	<u>3,396,688</u>	<u>4,041,244</u>	<u>4,511,405</u>	<u>470,161</u>
Fund Balances – Ending	<u>\$ 3,101,061</u>	<u>\$ 5,545,020</u>	<u>\$ 7,508,812</u>	<u>\$ 1,963,792</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Intergovernmental	\$ 41,000	\$ 41,000	\$ 37,983	\$ (3,017)
Interest	800	400	371	(29)
Total Revenues	41,800	41,400	38,354	(3,046)
<u>Expenditures:</u>				
Culture and Recreation:				
Capital Outlay	106,936	29,980	29,980	-
Total Expenditures	106,936	29,980	29,980	-
Excess Revenues Over (Under) Expenditures	(65,136)	11,420	8,374	(3,046)
Fund Balances – Beginning	65,136	65,443	65,443	-
Fund Balances – Ending	\$ -	\$ 76,863	\$ 73,817	\$ (3,046)

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND - PARKS AND RECREATION FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Charges for Services	\$ 816,500	\$ 1,015,847	\$ 1,055,223	\$ 39,376
Interest	1,900	800	755	(45)
Total Revenues	818,400	1,016,647	1,055,978	39,331
<u>Expenditures:</u>				
Golf Course Operations	1,195,728	1,174,366	1,063,386	110,980
Capital Outlay	88,700	78,300	73,262	5,038
Debt Service:				
Principal	157,326	157,326	157,326	-
Interest	44,294	44,294	44,294	-
Total Expenditures	1,486,048	1,454,286	1,338,268	116,018
Excess Revenues Over (Under) Expenditures	(667,648)	(437,639)	(282,290)	155,349
<u>Other Financing Sources and (Uses):</u>				
Transfer from Other Funds	588,000	431,100	431,100	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(79,648)	(6,539)	148,810	155,349
Fund Balances – Beginning	91,322	97,008	122,990	25,982
Fund Balances – Ending	\$ 11,674	\$ 90,469	\$ 271,800	\$ 181,331

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – HIGHWAY 6 DEVOLUTION
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Interest	\$ 240,000	\$ 80,000	\$ 68,697	\$ (11,303)
Total Revenues	<u>240,000</u>	<u>80,000</u>	<u>68,697</u>	<u>(11,303)</u>
<u>Expenditures:</u>				
Repairs and Maintenance	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	240,000	80,000	68,697	(11,303)
 Fund Balances – Beginning	 <u>10,545,256</u>	 <u>10,528,608</u>	 <u>10,528,607</u>	 <u>-</u>
Fund Balances – Ending	<u>\$ 10,785,256</u>	<u>\$ 10,608,608</u>	<u>\$ 10,597,304</u>	<u>\$ (11,303)</u>

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

OTHER SUPPLEMENTAL INFORMATION

GOVERNMENTAL FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES & OTHER FINANCING SOURCES:				
GENERAL GOVERNMENT:				
<u>Taxes</u>				
General Property	\$ 781,362	\$ 782,332	\$ 780,980	\$ (1,352)
Specific Ownership	37,000	38,000	38,806	806
Franchise	261,000	270,000	279,510	9,510
Sales and Use	6,145,000	6,630,000	7,061,617	431,617
Real Estate Transfer	600,000	1,150,000	1,337,680	187,680
Cigarette	14,500	14,500	17,025	2,525
TOTAL TAXES	<u>7,838,862</u>	<u>8,884,832</u>	<u>9,515,618</u>	<u>630,786</u>
<u>Licenses and Permits</u>				
Liquor and Business	<u>53,000</u>	<u>69,677</u>	<u>79,566</u>	<u>9,889</u>
TOTAL LICENSES AND PERMITS	<u>53,000</u>	<u>69,677</u>	<u>79,566</u>	<u>9,889</u>
<u>Intergovernmental Revenues</u>				
Highway Users Tax	286,600	272,000	267,028	(4,972)
County Road and Bridge Tax	101,820	103,000	103,927	927
Motor Vehicle Tax	<u>37,000</u>	<u>40,000</u>	<u>40,134</u>	<u>134</u>
TOTAL INTERGOVERNMENTAL	<u>425,420</u>	<u>415,000</u>	<u>411,089</u>	<u>(3,911)</u>
<u>Administrative Charges</u>				
Reimbursements and Rentals	8,100	8,100	5,098	(3,002)
Miscellaneous Admin Charges	<u>65,300</u>	<u>36,830</u>	<u>36,817</u>	<u>(13)</u>
TOTAL ADMINISTRATIVE CHARGES	<u>73,400</u>	<u>44,930</u>	<u>41,915</u>	<u>(3,015)</u>
COMMUNITY DEVELOPMENT:				
Variance and Subdivision	8,700	11,850	11,020	(830)
Building Permits	280,945	308,795	338,038	29,243
Impact fees	37,500	71,509	86,362	14,853
Reimbursed Professional Fees	110,000	30,000	18,730	(11,270)
Community Enhancement Fund	<u>55,000</u>	<u>55,000</u>	<u>60,752</u>	<u>5,752</u>
TOTAL COMMUNITY DEV CHARGES	<u>492,145</u>	<u>477,154</u>	<u>514,902</u>	<u>37,748</u>
MISCELLANEOUS REVENUES:				
Municipal Court - Violations	43,600	24,850	26,308	1,458
Special Events	105,800	-	10,115	10,115
Miscellaneous	51,120	201,047	214,780	13,733
Interest Income	<u>121,000</u>	<u>30,000</u>	<u>45,156</u>	<u>15,156</u>
TOTAL MISC/OTHER REVENUES	<u>321,520</u>	<u>255,897</u>	<u>296,359</u>	<u>40,462</u>
OTHER FINANCING SOURCES:				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 9,204,347</u></u>	<u><u>\$ 10,147,490</u></u>	<u><u>\$ 10,859,449</u></u>	<u><u>\$ 711,959</u></u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES AND OTHER FINANCING USES:				
GENERAL GOVERNMENT:				
Salaries	\$ 648,000	\$ 638,600	\$ 653,951	\$ (15,351)
Payroll Taxes	51,830	51,110	49,715	1,395
Employee Benefits	168,450	160,830	147,088	13,742
Office Supplies	12,000	10,000	7,347	2,653
Utilities and Telephone	89,150	78,629	81,553	(2,924)
Professional Services	462,021	643,686	494,329	149,357
Auto and Travel	4,000	2,114	1,985	129
Equipment and Ground Maintenance	73,963	57,275	55,726	1,549
Professional Development	10,700	11,000	7,233	3,767
Dues and Subscriptions	21,055	21,055	14,729	6,326
Economic and Public Relations	10,000	10,000	12,299	(2,299)
Publications	5,000	6,500	12,284	(5,784)
Insurance	190,000	195,075	193,004	2,071
Community Support/Contributions	100,530	176,530	161,853	14,677
County Treasurer's Fees	19,600	19,600	19,139	461
Miscellaneous	43,200	125,620	89,093	36,527
TOTAL GENERAL GOVERNMENT	<u>1,909,499</u>	<u>2,207,624</u>	<u>2,001,328</u>	<u>206,296</u>
COMMUNITY DEVELOPMENT:				
Salaries	596,000	574,800	587,567	(12,767)
Payroll Taxes	47,500	45,378	46,689	(1,311)
Employee Benefits	183,600	182,171	174,322	7,849
Supplies	7,000	7,000	5,539	1,461
Professional Services	132,000	80,000	64,969	15,031
Auto and Travel	2,500	2,500	2,060	440
Equipment Maintenance	7,800	7,800	5,330	2,470
Professional Development	8,000	8,000	5,226	2,774
Miscellaneous	43,900	44,035	58,071	(14,036)
TOTAL COMMUNITY DEVELOPMENT	<u>1,028,300</u>	<u>951,684</u>	<u>949,773</u>	<u>1,911</u>
PUBLIC SAFETY:				
Law Enforcement Contract	1,005,070	1,005,070	1,005,071	(1)
Animal Control Contract	65,280	65,280	69,567	(4,287)
Municipal Court Expenses	30,000	12,000	10,007	1,993
Equipment Maintenance	17,000	17,000	12,444	4,556
Utilities	1,000	1,000	582	418
Miscellaneous	4,500	4,500	1,000	3,500
TOTAL PUBLIC SAFETY	<u>1,122,850</u>	<u>1,104,850</u>	<u>1,098,671</u>	<u>6,179</u>

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>(continued)</i>				
STREETS AND PUBLIC WORKS:				
Salaries	\$ 553,000	\$ 543,100	\$ 536,127	\$ 6,973
Payroll Taxes	43,700	42,713	41,036	1,677
Employee Benefits	201,900	201,112	189,750	11,362
Supplies	10,500	14,000	12,649	1,351
Utilities	35,850	43,535	40,359	3,176
Road and Bridge Maintenance	1,504,900	905,615	690,506	215,109
Street Lighting Maintenance	60,000	73,500	80,724	(7,224)
Building and Grounds Maintenance	15,000	18,000	19,342	(1,342)
Equipment Maintenance	96,000	96,300	88,439	7,951
Miscellaneous	45,250	37,760	29,083	8,677
TOTAL STREETS AND PUBLIC WORKS	2,566,100	1,975,635	1,727,925	247,710
CULTURE AND RECREATION:				
Salaries	358,000	298,000	301,007	(3,007)
Payroll Taxes	29,065	29,027	23,720	5,307
Employee Benefits	76,100	76,085	68,505	7,580
Parks Maintenance	69,000	58,500	48,871	9,629
Amphitheater	6,300	6,300	5,363	937
Golf Course Facility Maintenance	8,500	8,500	15	8,485
Repairs and Maintenance	47,500	34,500	33,133	1,367
Special Events	419,250	154,501	121,141	33,360
Subsidy to Mtn. Recreation	138,810	423,000	320,154	102,846
Miscellaneous	201,500	-	-	-
TOTAL CULTURE AND RECREATION	1,354,025	1,088,413	921,909	166,504
ECONOMIC DEVELOPMENT:				
Enhancement Fund Reserve	55,000	55,000	-	55,000
Wildlife Mitigation	18,000	32,508	-	32,508
Recycling Center	4,200	4,200	4,200	-
Economic Development	238,600	244,500	177,836	66,664
TOTAL ECONOMIC DEVELOPMENT	315,800	336,208	182,036	154,172
CAPITAL OUTLAY:				
General Government	124,500	70,500	37,956	32,544
Community Development	7,700	9,000	8,948	52
Streets and Public Works	273,700	269,200	305,199	(35,999)
Culture and Recreation	121,500	106,500	104,197	2,303
TOTAL CAPITAL OUTLAY	527,400	455,200	456,300	(1,100)
OTHER FINANCING USES:				
Transfers to Other Funds	676,000	524,100	524,100	-
TOTAL OTHER FINANCING USES	676,000	524,100	524,100	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 9,499,974	\$ 8,643,714	\$ 7,862,042	\$ 781,672

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>General Revenues</u>				
Interest Income	\$ 1,900	\$ 800	\$ 755	\$ (45)
Total General Revenues	<u>1,900</u>	<u>800</u>	<u>755</u>	<u>(45)</u>
GOLF COURSE ACTIVITIES:				
<u>Charges for Services</u>				
Annual Passes	120,000	125,000	160,809	35,809
Beverage Cart Sales	500	550	582	32
Green Fees	411,000	624,000	623,186	(814)
Merchandise Sales	84,000	89,000	89,778	778
Punch Passes	44,000	58,260	59,610	1,350
Restaurant Rental	62,500	45,000	45,753	753
Tournament Entries	12,519	22,972	22,972	-
Utility Reimbursement	19,500	15,000	17,845	2,845
Other Revenue	<u>62,481</u>	<u>36,065</u>	<u>34,688</u>	<u>(1,377)</u>
Total Charges for Services	<u>816,500</u>	<u>1,015,847</u>	<u>1,055,223</u>	<u>39,376</u>
OTHER FINANCING SOURCES:				
Transfers from Other Funds	<u>588,000</u>	<u>431,100</u>	<u>431,100</u>	<u>-</u>
Total Other Financing Sources	<u>588,000</u>	<u>431,100</u>	<u>431,100</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 1,406,400</u></u>	<u><u>\$ 1,447,747</u></u>	<u><u>\$ 1,487,078</u></u>	<u><u>\$ 39,331</u></u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GOLF COURSE ACTIVITIES:				
<u>Pro Shop</u>				
Salaries	\$ 197,000	\$ 196,600	\$ 181,142	\$ 15,458
Taxes	15,000	14,970	13,526	1,444
Benefits	28,475	28,447	26,728	1,719
Dues and Permits	6,000	6,000	6,127	(127)
Education	3,000	560	-	560
Supplies	31,338	28,274	20,919	7,355
Resale Items	70,000	53,500	63,837	(10,337)
Repairs and Maintenance	47,500	40,600	10,996	29,604
Total Pro Shop	<u>398,313</u>	<u>368,951</u>	<u>323,275</u>	<u>45,676</u>
<u>Driving Range</u>				
Supplies	<u>7,500</u>	<u>6,000</u>	<u>3,902</u>	<u>2,098</u>
Total Driving Range	<u>7,500</u>	<u>6,000</u>	<u>3,902</u>	<u>2,098</u>
<u>Cart Department</u>				
Salaries	54,000	72,000	71,535	465
Taxes	4,200	5,432	5,472	(40)
Benefits	170	250	234	16
Repairs and Maintenance	16,000	16,000	10,264	5,736
Operating Lease	46,620	46,620	46,620	-
Total Cart Department	<u>120,990</u>	<u>140,302</u>	<u>134,125</u>	<u>6,177</u>
<u>Course and Maintenance</u>				
Salaries	281,100	280,600	272,504	8,096
Taxes	21,000	20,963	20,797	166
Benefits	60,825	60,790	57,064	3,726
Dues and Permits	2,500	2,500	1,345	1,155
Education	1,200	1,200	605	595
Supplies	75,000	62,105	51,469	10,636
Repairs and Maintenance	60,300	60,000	47,555	12,445
Equipment Rental	6,000	6,000	4,757	1,243
Utilities	29,000	29,000	25,820	3,180
Total Course and Maintenance	<u>536,925</u>	<u>523,158</u>	<u>481,916</u>	<u>41,242</u>

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2020

(continued)

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Administration</u>				
Advertising and Promotion	\$ 41,000	\$ 32,710	\$ 26,043	\$ 6,667
Benefits	8,500	8,545	8,541	4
Bank Charges	13,400	20,000	20,269	(269)
Office Supplies & Dues	17,300	17,000	13,129	3,871
Equipment Repairs and Maintenance	9,200	14,000	15,478	(1,478)
Miscellaneous	1,000	1,100	1,881	(781)
Operating Lease	1,400	1,400	813	587
Total Administration	<u>91,800</u>	<u>94,755</u>	<u>86,154</u>	<u>8,601</u>
<u>Facility Expenses</u>				
Facility Repairs and Maintenance	500	1,500	1,095	405
Utilities	39,700	39,700	32,919	6,781
Total Facility	<u>40,200</u>	<u>41,200</u>	<u>34,014</u>	<u>7,186</u>
 TOTAL GOLF COURSE EXPENDITURES	 <u>1,195,728</u>	 <u>1,174,366</u>	 <u>1,063,386</u>	 <u>110,980</u>
 CAPITAL OUTLAY:				
Golf Course	88,700	78,300	73,262	5,038
TOTAL CAPITAL OUTLAY	<u>88,700</u>	<u>78,300</u>	<u>73,262</u>	<u>5,038</u>
 DEBT SERVICE:				
Principal	157,326	157,326	157,326	-
Interest	44,294	44,294	44,294	-
TOTAL DEBT SERVICES	<u>201,620</u>	<u>201,620</u>	<u>201,620</u>	<u>-</u>
 TOTAL EXPENDITURES AND OTHER FINANCING USES	 <u>\$ 1,486,048</u>	 <u>\$ 1,454,286</u>	 <u>\$ 1,338,268</u>	 <u>\$ 116,018</u>

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

OTHER SUPPLEMENTAL INFORMATION

PROPRIETARY (ENTERPRISE) FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – WATER ENTERPRISE FUND
For the Year Ended December 31, 2020

	Water Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Service Fees	\$ 1,100,000	\$ 1,170,000	\$ 1,229,449	\$ 59,449
Other Revenues	54,200	146,950	149,719	2,769
Tap Fees	519,000	395,000	515,412	120,412
Dedication Fees	135,000	205,000	522,135	317,135
Interest Income	89,000	34,000	29,316	(4,684)
CWRPD Hydro Grant	-	1,528,650	1,528,650	-
Total Budgetary Based Revenues	1,897,200	3,479,600	3,974,681	495,081
Expenditures:				
System Operations:				
Salaries	322,500	364,936	282,210	82,726
Payroll Taxes	25,450	25,450	20,889	4,561
Employee Benefits	84,600	82,140	79,567	2,573
Utilities	70,050	76,200	80,335	(4,135)
Operating Supplies	61,500	68,500	38,547	29,953
Repairs and Maintenance	1,175,000	242,700	180,820	61,880
System Component Upgrades	26,172	26,172	13,892	12,280
Water Purchase	30,000	30,000	26,931	3,069
Eagle River Monitoring	11,500	11,500	9,000	2,500
Miscellaneous	8,000	9,600	7,385	2,215
Administration:				
Salaries	84,200	84,200	84,439	(239)
Payroll Taxes	6,700	6,750	6,172	578
Employee Benefits	18,140	18,145	17,169	976
Office and Billing	8,000	11,000	10,843	157
Dues and Permits	2,900	2,900	2,726	174
Professional Services	426,955	211,651	153,008	58,643
Debt Services:				
Principal	71,099	1,646,602	1,649,310	(2,708)
Interest	120,666	116,589	113,879	2,710
Capital Outlay/Noncap Outlay	592,600	476,100	327,357	148,743
Total Budgetary Based Expenditures	3,146,032	3,511,135	3,104,479	406,656
Budgetary Based Net Income (Loss)	(1,248,832)	(31,535)	870,202	901,737
Beginning Available Funds	3,249,660	3,802,988	3,594,597	(208,391)
Ending Available Funds	\$ 2,000,828	\$ 3,771,453	\$ 4,464,799	\$ 693,346

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SEWER ENTERPRISE FUND
For the Year Ended December 31, 2020

	Sewer Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Service Fees	\$ 944,800	\$ 1,012,600	\$ 1,027,913	\$ 15,313
Tap Fees	549,000	469,100	535,332	66,232
Interest Income	56,000	24,000	20,058	(3,942)
Other Revenues	700	700	-	(700)
<u>Other Financing Sources and Uses:</u>				
Transfer from General Fund	88,000	93,000	93,000	-
Total Budgetary Based Revenues	1,638,500	1,599,400	1,676,303	76,903
<u>Expenditures:</u>				
System Operations:				
Salaries	214,000	216,000	196,348	19,652
Payroll Taxes	16,100	16,100	15,384	716
Employee Benefits	71,350	71,390	56,824	14,566
Utilities	98,500	100,200	93,165	7,035
Operating Supplies	37,800	37,800	39,272	(1,472)
Repairs and Maintenance	249,000	209,500	224,097	(14,597)
Miscellaneous	1,114,000	3,000	1,605	1,395
Administration:				
Salaries	58,200	58,200	58,099	101
Payroll Taxes	4,640	4,670	4,132	538
Employee Benefits	13,300	13,301	12,698	603
Office and Billing	9,000	11,000	10,790	210
Dues and Permits	2,500	2,500	-	2,500
Professional Services	47,500	47,500	12,673	34,827
Miscellaneous	1,000	-	-	-
Debt Services:				
Principal	370,000	370,000	370,000	-
Interest	15,175	15,175	15,075	100
Capital Outlay	40,500	96,000	92,852	3,148
Total Budgetary Based Expenditures	2,362,565	1,272,336	1,203,014	69,322
Budgetary Based Net Income (Loss)	(724,065)	327,064	473,289	146,225
Beginning Available Funds	2,998,493	3,312,406	2,985,517	(326,889)
Ending Available Funds	\$ 2,274,428	\$ 3,639,470	\$ 3,458,806	\$ (180,664)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SANITATION ENTERPRISE FUND
For the Year Ended December 31, 2020

	Sanitation Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Service Fees	\$ 321,500	\$ 324,000	\$ 325,974	\$ 1,974
Interest Income	3,000	3,000	2,233	(767)
Reimbursable	2,500	2,500	-	(2,500)
Total Budgetary Based Revenues	327,000	329,500	328,207	(1,293)
<u>Expenditures:</u>				
System Operations:				
Salaries	94,900	96,000	102,423	(6,423)
Payroll Taxes	7,490	7,490	7,274	216
Employee Benefits	32,350	34,135	33,166	969
Supplies	5,500	5,500	33	5,467
Repairs and Maintenance	30,000	42,000	36,787	5,213
Landfill Fees	81,000	90,000	88,423	1,577
Administration:				
Salaries	38,190	38,190	38,568	(378)
Payroll Taxes	3,100	3,115	2,790	325
Employee Benefits	11,820	11,820	8,795	3,025
Office and Billing	8,000	11,000	10,790	210
Capital Outlay	50,000	300,000	290,504	9,496
Total Budgetary Based Expenditures	362,350	639,250	619,553	19,697
Budgetary Based Net Income (Loss)	(35,350)	(309,750)	(291,346)	18,404
Beginning Available Funds	89,949	404,046	404,045	(1)
Ending Available Funds	\$ 54,599	\$ 94,296	\$ 112,699	\$ 18,403

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUNDS

TOWN OF GYPSUM, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY CASH BALANCES – BUDGETARY BASIS
AGENCY FUND – GYPSUM RECREATION CENTER CAPITAL COMMITTEE
For the Year Ended December 31, 2020

<u>Gypsum Recreation Center Capital Committee</u>	
<i>[NOTE: The Town of Gypsum does not adopt a budget for this agency fund]</i>	
	<u>Actual</u>
<u>ADDITIONS:</u>	
Contributions from Town of Gypsum	\$ 50,000
Contributions from WECMRD	<u>50,000</u>
Total Additions	<u>100,000</u>
<u>DEDUCTIONS:</u>	
Capital Repairs & Maintenance	<u>2,000</u>
Total Deductions	<u>2,000</u>
Net Change in Fiduciary Funds Held on Behalf of Entity	98,000
Beginning Fiduciary Funds Held on Behalf of Entity	<u>84,951</u>
Ending Fiduciary Funds Held on Behalf of Entity	<u><u>\$ 182,951</u></u>

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

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Gypsum	
		YEAR ENDING: December 31, 2020	
This Information from The Records of Town of Gypsum, Colorado		Prepared By: Phone:	Mark Silverthorn 970-524-1725

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	680,507
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	353,003
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	86,254
2. General fund appropriations	2,076,306	b. Snow and ice removal	342,593
3. Other local imposts (from page 2)	142,733	c. Other	0
4. Miscellaneous local receipts (from page 2)	90,648	d. Total (a. through c.)	428,847
5. Transfers from toll facilities	0	4. General administration & miscellaneous	68,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,018,095
a. Bonds - Original Issues	0	6. Total (1 through 5)	2,548,452
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	2,309,687	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	307,462	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	2,617,149	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	2,548,452

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	10,528,607	2,617,149	2,548,452	10,597,304	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING 12/20: 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	68,697
b. Other local imposts:		b. Traffic Fines & Penalties	21,951
1. Sales Taxes & Use Tax	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	142,733	g. Other Misc. Receipts	0
6. Total (1. through 5.)	142,733	h. Other Road & Bridge Tax	0
c. Total (a. + b.)	142,733	i. Total (a. through h.)	90,648
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	267,028	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	40,434	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	40,434	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	307,462	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0		
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	226,701	226,701
(3). System Preservation	0	453,806	453,806
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	680,507	680,507
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	680,507	680,507
			(Carry forward to page 1)

Notes and Comments:
