

TOWN OF GEORGETOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2021

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown (the "Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required budgetary and pension information on pages 32-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining and individual fund financial statements and schedules and State Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

July 15, 2022

BASIC FINANCIAL STATEMENTS

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS	TOTALS	
		TYPE ACTIVITIES	2021	2020
ASSETS				
Cash and Investments	\$ 2,021,998	\$ 2,992,682	\$ 5,014,680	\$ 3,871,741
Receivables				
Property Taxes	250,522	-	250,522	219,006
Accounts	241,023	150,123	391,146	159,581
Due From Other Governments	-	-	-	220,941
Inventory	-	17,169	17,169	5,582
Net Pension Asset	54,775	-	54,775	13,669
Capital Assets, Not Depreciated	1,249,252	7,500	1,256,752	1,448,263
Capital Assets, Depreciated Net of Accumulated Depreciation	3,536,964	12,368,056	15,905,020	16,273,374
TOTAL ASSETS	7,354,534	15,535,530	22,890,064	22,212,157
DEFERRED OUTFLOW OF RESOURCES				
Related to Pensions	82,024	-	82,024	126,469
LIABILITIES				
Accounts Payable	38,163	9,080	47,243	64,943
Retainage Payable	-	-	-	68,357
Accrued Salaries and Benefits	149,064	10,530	159,594	19,144
Accrued Interest	-	37,260	37,260	5,142
Net Pension Liability	-	-	-	-
Noncurrent Liabilities				
Due within One Year	46,630	369,989	416,619	412,708
Due in More Than One Year	141,858	3,604,718	3,746,576	4,163,608
TOTAL LIABILITIES	375,715	4,031,577	4,407,292	4,733,902
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	250,522	-	250,522	219,006
Related to Pensions	50,332	-	50,332	73,872
TOTAL DEFERRED INFLOWS OF RESOURCES	300,854	-	300,854	292,878
NET POSITION				
Invested in Capital Assets, Net of Related Debt	4,597,728	8,402,521	13,000,249	13,146,993
Restricted for Parks and Recreation	38,863	-	38,863	32,121
Restricted for Town Promotions	50,384	-	50,384	51,516
Restricted for Capital Improvements	502,004	-	502,004	253,460
Restricted for Operating & Maintenance Reserve	-	258,500	258,500	258,500
Restricted for Emergencies	116,500	-	116,500	116,500
Unrestricted	1,454,510	2,842,932	4,297,442	3,452,756
TOTAL NET POSITION	\$ 6,759,989	\$ 11,503,953	\$ 18,263,942	\$ 17,311,846

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 426,313	\$ 250,547	\$ 714	\$ -
Public Safety	508,303	-	-	-
Public Works	752,538	-	127,065	105,801
Parks and Recreation	246,407	-	6,741	-
Interest on Long-Term Debt	4,635	-	-	-
Total Governmental Activities	<u>1,938,196</u>	<u>250,547</u>	<u>134,520</u>	<u>105,801</u>
Business-Type Activities				
Water and Sewer	1,512,872	1,830,270	-	121,238
Interest on Long-Term Debt	78,978	-	-	-
Total Business-Type Activities	<u>1,591,850</u>	<u>1,830,270</u>	<u>-</u>	<u>121,238</u>
Total Primary Government	<u>\$ 3,530,046</u>	<u>\$ 2,080,817</u>	<u>\$ 134,520</u>	<u>\$ 227,039</u>

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2020	2019
\$ (175,052)	\$ -	\$ (175,052)	\$ 275,439
(508,303)	-	(508,303)	(515,921)
(519,672)	-	(519,672)	(594,477)
(239,666)	-	(239,666)	(181,195)
(4,635)	-	(4,635)	4,234
<u>(1,447,328)</u>	<u>-</u>	<u>(1,447,328)</u>	<u>(1,011,920)</u>
-	438,636	438,636	358,631
-	(78,978)	(78,978)	(72,264)
<u>-</u>	<u>359,658</u>	<u>359,658</u>	<u>286,367</u>
(1,447,328)	359,658	(1,087,670)	(725,553)
1,754,805	-	1,754,805	1,300,316
218,449	-	218,449	216,300
22,639	-	22,639	20,952
-	-	-	-
-	-	-	-
90,035	-	90,035	64,174
668	-	668	28,009
<u>140,627</u>	<u>77,190</u>	<u>217,817</u>	<u>123,150</u>
<u>2,227,223</u>	<u>77,190</u>	<u>2,304,413</u>	<u>1,752,901</u>
779,895	436,848	1,216,743	1,027,348
<u>5,980,094</u>	<u>11,067,105</u>	<u>17,047,199</u>	<u>16,284,498</u>
<u>\$ 6,759,989</u>	<u>\$ 11,503,953</u>	<u>\$ 18,263,942</u>	<u>\$ 17,311,846</u>

TOWN OF GEORGETOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2021	2020
ASSETS					
Cash and Investments	\$ 1,429,081	\$ 502,523	\$ 90,394	\$ 2,021,998	\$ 1,494,734
Property Taxes Receivable	250,522	-	-	250,522	219,006
Accounts Receivable	241,023	-	-	241,023	28,798
Due From Other Governments	-	-	-	-	220,941
TOTAL ASSETS	<u>\$ 1,920,626</u>	<u>\$ 502,523</u>	<u>\$ 90,394</u>	<u>\$ 2,513,543</u>	<u>\$ 1,963,479</u>
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 36,497	\$ 519	\$ 1,147	\$ 38,163	\$ 52,020
Retainage Payable	-	-	-	-	68,357
Accrued Salaries and Benefits	149,064	-	-	149,064	9,948
TOTAL LIABILITIES	<u>185,561</u>	<u>519</u>	<u>1,147</u>	<u>187,227</u>	<u>130,325</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	250,522	-	-	250,522	219,006
FUND EQUITY					
Fund Balance					
Restricted for Emergencies	116,500	-	-	116,500	116,500
Restricted for Parks and Recreation	-	-	38,863	38,863	32,121
Restricted for Town Promotions	-	-	50,384	50,384	51,516
Restricted for Capital Improvements	-	502,004	-	502,004	253,460
Committed	58,410	-	-	58,410	58,410
Unassigned	1,309,633	-	-	1,309,633	1,102,141
TOTAL FUND EQUITY	<u>1,484,543</u>	<u>502,004</u>	<u>89,247</u>	<u>2,075,794</u>	<u>1,614,148</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
	<u>\$ 1,920,626</u>	<u>\$ 502,523</u>	<u>\$ 90,394</u>		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,786,216	4,769,960
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include net pension asset \$54,775, compensated absences (\$33,788), capital leases payable (\$154,700), deferred outflows related to pensions \$82,024 and deferred inflows related to pensions (\$50,332).	(102,021)	(169,461)
Net position of governmental activities	<u>\$ 6,759,989</u>	<u>\$ 6,214,647</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2021	2020
REVENUES					
Taxes	\$ 1,706,468	\$ 331,278	\$ -	\$ 2,037,746	\$ 1,713,700
Licenses and Permits	167,405	-	-	167,405	293,976
Intergovernmental	249,963	105,801	6,741	362,505	176,065
Charges for Services	-	-	45,925	45,925	47,573
Donations	-	-	714	714	675
Court	37,217	-	-	37,217	57,506
Interest	644	11	1	656	27,713
Miscellaneous	41,528	-	-	41,528	6,859
TOTAL REVENUES	2,203,225	437,090	53,381	2,693,696	2,324,067
EXPENDITURES					
Current					
General Government	372,592	-	53,721	426,313	422,584
Public Safety	493,215	-	-	493,215	466,538
Public Works	883,519	-	-	883,519	480,013
Parks and Recreation	246,407	-	-	246,407	162,279
Capital Outlay	-	144,091	-	144,091	339,139
Debt Service					
Principal	-	39,820	-	39,820	34,235
Interest	-	4,635	-	4,635	4,975
TOTAL EXPENDITURES	1,995,733	188,546	53,721	2,238,000	1,909,763
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	207,492	248,544	(340)	455,696	414,304
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(18,445)
Transfers In	-	-	24,395	24,395	18,445
TOTAL OTHER FINANCING SOURCES (USES)	-	-	24,395	24,395	-
NET CHANGE IN FUND BALANCE	207,492	248,544	24,055	480,091	414,304
FUND BALANCE, Beginning	1,277,051	253,460	65,192	1,595,703	1,199,844
FUND BALANCE, Ending	<u>\$ 1,484,543</u>	<u>\$ 502,004</u>	<u>\$ 89,247</u>	<u>\$ 2,075,794</u>	<u>\$ 1,614,148</u>

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

TOWN OF GEORGETOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 480,091
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$389,597 exceeded depreciation expense (\$147,713) for the current period.	268,262
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payment on leases payable.	46,630
Deferred charges related to pensions are not recognized in the governmental funds. However, in the government-wide financial statements, these amounts are capitalized and amortized.	<u>(15,088)</u>
Change in Net Position of Governmental Activities	<u>\$ 779,895</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUND TYPE

As of December 31, 2021

	WATER FUND	SEWER FUND	TOTALS	
			2021	2020
ASSETS				
Current Assets				
Cash and Investments	\$ 2,075,278	\$ 917,404	\$ 2,992,682	\$ 2,377,007
Accounts Receivable	78,616	71,507	150,123	130,783
Inventory	17,169	-	17,169	5,582
Total Current Assets	<u>2,171,063</u>	<u>988,911</u>	<u>3,159,974</u>	<u>2,513,372</u>
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	<u>6,980,054</u>	<u>5,395,502</u>	<u>12,375,556</u>	<u>12,951,677</u>
TOTAL ASSETS	<u>9,151,117</u>	<u>6,384,413</u>	<u>15,535,530</u>	<u>15,465,049</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	4,705	4,375	9,080	12,923
Accrued Expenses	6,366	4,164	10,530	9,196
Compensated Absences	3,608	3,608	7,216	4,447
Accrued Interest Payable	32,322	4,938	37,260	5,142
Current Portion of Long Term Debt	<u>132,238</u>	<u>237,751</u>	<u>369,989</u>	<u>366,078</u>
Total Current Liabilities	<u>179,239</u>	<u>254,836</u>	<u>434,075</u>	<u>397,786</u>
Noncurrent Liabilities				
Notes Payable	<u>1,781,337</u>	<u>1,816,165</u>	<u>3,597,502</u>	<u>3,970,064</u>
TOTAL LIABILITIES	<u>1,960,576</u>	<u>2,071,001</u>	<u>4,031,577</u>	<u>4,367,850</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	5,066,479	3,341,586	8,408,065	8,615,535
Restricted for Operation & Maintenance Reserve	116,500	142,000	258,500	258,500
Unreserved	<u>2,007,562</u>	<u>829,826</u>	<u>2,837,388</u>	<u>2,223,164</u>
TOTAL NET POSITION	<u>\$ 7,190,541</u>	<u>\$ 4,313,412</u>	<u>\$ 11,503,953</u>	<u>\$ 11,097,199</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2021

	WATER	SEWER	TOTALS	
	FUND	FUND	2021	2020
OPERATING REVENUES				
Charges for Services	\$ 1,057,773	\$ 772,497	\$ 1,830,270	\$ 1,690,162
Other Revenues	40,009	37,181	77,190	41,587
TOTAL OPERATING REVENUES	<u>1,097,782</u>	<u>809,678</u>	<u>1,907,460</u>	<u>1,731,749</u>
OPERATING EXPENSES				
Salaries and Benefits	222,323	221,206	443,529	450,583
Professional Services	35,663	4,836	40,499	56,904
Repairs and Maintenance	51,155	120,143	171,298	131,886
Administrative and General	78,658	200,910	279,568	264,308
Miscellaneous	980	877	1,857	752
Depreciation	309,073	267,048	576,121	545,210
TOTAL OPERATING EXPENSES	<u>697,852</u>	<u>815,020</u>	<u>1,512,872</u>	<u>1,449,643</u>
OPERATING INCOME (LOSS)	<u>399,930</u>	<u>(5,342)</u>	<u>394,588</u>	<u>282,106</u>
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	1,205	120,033	121,238	118,112
Interest Expenses	<u>(52,812)</u>	<u>(26,166)</u>	<u>(78,978)</u>	<u>(72,264)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(51,607)</u>	<u>93,867</u>	<u>42,260</u>	<u>45,848</u>
NET POSITION, Beginning	<u>6,842,218</u>	<u>4,224,887</u>	<u>11,067,105</u>	<u>10,769,245</u>
NET POSITION, Ending	<u>\$ 7,190,541</u>	<u>\$ 4,313,412</u>	<u>\$ 11,503,953</u>	<u>\$ 11,097,199</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE

Year Ended December 31, 2021

Increase (Decrease) in Cash and Cash Equivalents

	WATER	SEWER	TOTALS	
	FUND	FUND	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,092,088	\$ 796,030	\$ 1,888,118	\$ 1,841,817
Cash Paid to Suppliers	(179,327)	(329,323)	(508,650)	(510,744)
Cash Paid to Employees	(221,395)	(222,479)	(443,874)	(443,097)
Net Cash Provided by Operating Activities	<u>691,366</u>	<u>244,228</u>	<u>935,594</u>	<u>887,976</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(1)	-	(1)	(253,522)
Grants	1,205	120,033	121,238	118,112
Note Payments	(130,731)	(224,909)	(355,640)	(366,246)
Loan Proceeds	-	-	-	-
Interest Payments	(53,455)	(32,061)	(85,516)	(74,133)
Capital Contributions	-	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(182,982)</u>	<u>(136,937)</u>	<u>(319,919)</u>	<u>(575,789)</u>
Net Decrease in Cash and Cash Equivalents	508,384	107,291	615,675	312,187
CASH AND CASH EQUIVALENTS, Beginning	<u>1,566,894</u>	<u>810,113</u>	<u>2,377,007</u>	<u>2,064,820</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 2,075,278</u>	<u>\$ 917,404</u>	<u>\$ 2,992,682</u>	<u>\$ 2,377,007</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ 399,930</u>	<u>\$ (5,342)</u>	<u>\$ 394,588</u>	<u>\$ 252,012</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	309,073	267,048	576,121	653,339
Changes in Assets and Liabilities				
Accounts Receivable	(5,694)	(13,648)	(19,342)	(2,524)
Inventories	(11,586)	-	(11,586)	4,463
Accounts Payable	(1,285)	(2,557)	(3,842)	(26,798)
Accrued Expenses	1,767	(434)	1,333	3,773
Accrued Compensated Absences	(839)	(839)	(1,678)	3,711
Total Adjustments	<u>291,436</u>	<u>249,570</u>	<u>541,006</u>	<u>635,964</u>
Net Cash Provided by Operating Activities	<u>\$ 691,366</u>	<u>\$ 244,228</u>	<u>\$ 935,594</u>	<u>\$ 887,976</u>

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The Town also reports the following major proprietary fund:

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

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

Cash and Investments

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

Capital Assets

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

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

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Town does not report any amounts as nonspendable as of December 31, 2021.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Sales Tax Fund as restricted because its use is restricted by taxpayer initiative, the Town Promotion Fund as restricted as the revenues are restricted by the Business Promotion Commission, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Selectman. These amounts cannot be used for any other purpose unless the Board of Selectman removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town has classified as committed, funds allocated for the preservation and repair of its historic structures.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Equity (Continued)

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

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

Property Taxes

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

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

Comparative Data

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

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

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2021 follows:

Cash Deposits	\$ 1,226,902
Investments	<u>3,787,778</u>
Total	<u>\$ 5,014,680</u>

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

Governmental Activities	\$ 2,021,998
Business –Type Activities	<u>2,992,682</u>
Total	<u>\$ 5,014,680</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories.

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

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

At December 31, 2021, the Town had deposits with financial institutions with a carrying amount of \$1,226,902. The bank balances with the financial institutions were \$1,232,259. Of these balances \$500,000 was covered by federal depository insurance and \$732,259 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

Credit Risk

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk (Continued)

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

Local Government Investment Pools

The Town had invested \$98,261 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

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

The Town had invested \$3,689,517 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 is summarized below:

	Balances <u>12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/21</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,068,744	\$ -	\$ -	\$ 1,068,744
Construction in Progress	<u>120,012</u>	<u>60,496</u>	<u>-</u>	<u>180,508</u>
Total Capital Assets, not depreciated	<u>1,188,756</u>	<u>60,496</u>	<u>-</u>	<u>1,249,252</u>
Capital Assets, depreciated				
Buildings and Improvements	926,051	54,870	-	980,921
Infrastructure	4,170,721	334,673	-	4,505,394
Machinery and Equipment	<u>689,336</u>	<u>33,550</u>	<u>-</u>	<u>722,886</u>
Total Capital Assets, depreciated	<u>5,786,108</u>	<u>423,093</u>	<u>-</u>	<u>6,209,201</u>
Less Accumulated Depreciation				
Buildings and Improvements	290,215	27,994	-	318,209
Infrastructure	1,654,573	113,326	-	1,767,899
Machinery and Equipment	<u>512,122</u>	<u>74,007</u>	<u>-</u>	<u>586,129</u>
Total Accumulated Depreciation	<u>2,456,910</u>	<u>215,327</u>	<u>-</u>	<u>2,672,237</u>
Total Capital Assets, depreciated, Net	<u>3,329,198</u>	<u>207,776</u>	<u>-</u>	<u>3,536,964</u>
Governmental Activities, Capital Assets, Net	<u>\$ 4,517,954</u>	<u>\$ 268,262</u>	<u>\$ -</u>	<u>\$ 4,786,216</u>

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

Governmental Activities	
Public Safety	\$ 49,145
Public Works	119,079
Parks and Recreation	<u>47,103</u>
Total	<u>\$ 147,713</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/21</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Capital Assets, depreciated				
Buildings and Improvements	10,281,654	-	-	10,281,654
Collection and Distribution	6,235,048	-	-	6,235,048
Dam Outlet	1,736,510	-	-	1,736,510
Machinery and Equipment	<u>217,974</u>	<u>-</u>	<u>-</u>	<u>217,974</u>
Total Capital Assets, depreciated	<u>18,471,186</u>	<u>-</u>	<u>-</u>	<u>18,471,186</u>
Less: Accumulated Depreciation				
Buildings and Improvements	2,123,772	256,584	-	2,380,356
Collection and Distribution	3,138,230	287,179	-	3,425,409
Dam Outlet	77,353	23,155	-	92,614
Machinery and Equipment	<u>187,655</u>	<u>9,204</u>	<u>-</u>	<u>204,753</u>
Total Accumulated Depreciation	<u>5,527,010</u>	<u>576,120</u>	<u>-</u>	<u>6,103,132</u>
Total Capital Assets, depreciated, Net	<u>12,944,176</u>	<u>(576,120)</u>	<u>-</u>	<u>12,368,056</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 12,951,676</u>	<u>\$ (576,120)</u>	<u>\$ -</u>	<u>\$ 12,375,556</u>

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

Business-type Activities

Water Fund	\$ 309,072
Sewer Fund	<u>267,048</u>
Total	<u>\$ 576,120</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

	Balance <u>12/31/20</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/21</u>	Due In <u>One Year</u>
Capital Leases	\$ 201,330	\$ -	\$ 46,630	\$ 154,700	\$ 39,266
Accrued Compensated Absences	<u>33,788</u>	<u>-</u>	<u>-</u>	<u>33,788</u>	<u>-</u>
Totals	<u>\$ 235,118</u>	<u>\$ -</u>	<u>\$ 46,630</u>	<u>\$ 188,488</u>	<u>\$ 39,266</u>

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

Capital Leases

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Future Debt Service Requirements

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

Year Ended December 31,

2022	\$ 45,254
2023	14,010
2024	14,010
2025	14,010
2026	14,010
Thereafter	<u>85,243</u>
Total Minimum Lease Payments	186,537
Less: Interest	<u>(31,837)</u>
Present Value of Minimum Lease Payments	<u>\$ 154,700</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2021.

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/21</u>	<u>Due In</u> <u>One Year</u>
1999 CWCB Loan	\$ 55,602	\$ -	\$ 9,795	\$ 45,807	\$ 10,309
2009 CWRPDA Loan, Drinking Water	636,500	-	67,000	569,500	67,000
2009 CWRPDA Loan, Wastewater Facility	1,805,000	-	190,000	1,615,000	190,000
2011 CWRPDA Loan, Drinking Water	436,344	-	35,867	400,477	36,560
2012 CWCB Dam Loan	915,860	-	18,070	897,790	18,883
2014 Ground Lease	473,825	-	34,909	438,916	47,237
Compensated Absences	<u>8,894</u>	<u>-</u>	<u>1,678</u>	<u>7,216</u>	<u>-</u>
Total	<u>\$ 4,332,025</u>	<u>\$ -</u>	<u>\$ 366,245</u>	<u>\$ 3,974,707</u>	<u>\$ 369,989</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

1999 Colorado Water Conservancy Board (CWCB)

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

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

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

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

2012 Colorado Water Conservancy Board (CWCB)

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

Future Debt Service Requirements

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 319,926	\$ 50,656	\$ 372,595
2023	324,029	48,524	372,553
2024	327,085	46,323	373,408
2025	329,378	44,030	373,408
2026	320,315	41,649	361,964
Thereafter	<u>1,905,830</u>	<u>510,508</u>	<u>2,416,338</u>
Total Debt Service Requirements	<u>\$ 3,528,575</u>	<u>\$ 741,690</u>	<u>\$ 4,270,265</u>

Capital Leases

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

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

Year Ended December 31,

2022	\$ 66,971
2023	66,971
2024	66,971
2025	66,971
2026	66,971
Thereafter	<u>264,969</u>
Total Minimum Lease Payments	543,317
Less: Interest	<u>(104,401)</u>
Present Value of Minimum Lease Payments	<u>\$ 438,916</u>

NOTE 6: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan

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

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

At December 31, 2020, the Town reported an asset in the amount of \$54,775 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The Town's proportion of the net pension liability was based on the Town's contributions to the SWDB Plan for the calendar year 2019 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2020, the Town's proportion was 0.0252%, which was an increase of 0.00106% from its proportion measured as of December 31, 2019.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2021 the Town recognized pension expense of \$56,194. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 41,238	\$ 194
Net difference between projected and actual earnings on pension plan investments	N/A	\$ 50,138
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 3,906	N/A
Change in assumptions and other inputs	\$ 20,760	N/A
Contributions subsequent to the measurement date	\$ 15,960	N/A
Total	\$ 82,024	\$ 50,332

\$15,960 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2021	\$ 2,215
2022	\$ 2,215
2023	\$ 2,215
2024	\$ 2,571
2025	\$ 1,733
Thereafter	\$ 4,783

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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

Total Pension Liability:

Actuarial Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2020
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

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

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

The assumption changes were effective for actuarial valuations beginning January 1, 2020. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$55,122	(\$54,775)	(\$145,783)

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

NOTE 7: DEFINED CONTRIBUTION PLANS

Defined Contribution Plan

The Town offers all employees except for police offers who are covered under FPPA a defined contribution pension plan, which is administered by the Colorado County Officials and Employees Retirement Association (CCOERA). Employee participation is mandatory and commences after one year of employment. Both the Town and employees contribute an amount equal to 3.00% of compensation. During the years ended December 31, 2021 and December 31, 2020, the Town contributions to the plan were \$14,262 and \$15,495, respectively equal to the required contribution. The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Town employees and permits them to defer a portion of their salary until future years. The Town does not match employee contributions. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: RISK MANAGEMENT

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

NOTE 9: COMMITMENTS AND CONTINGENCIES

Wastewater Service Agreement

During 2011 the Town entered into a wastewater service agreement with the Town of Silver Plume to process Silver Plume's wastewater through the Town's facility. This agreement was intended to replace and supersede the 1986 and 2005 agreements. Under the terms of the agreement, both Towns contribute annually determined amounts to an Operating and Maintenance Reserve, a Capital Reserve and an Emergency Reserve. These funds are held by the Town of Georgetown and require approval by a Joint Water Commission Board prior to expenditure. As of December 31, 2017, these reserves are not fully funded. During 2014, the Town contributed \$36,440 to the Sewer Equipment Reserve and \$36,440 to the Sewer Long Term Capital Reserve. During 2021, the Town of Silver Plume paid the Town of Georgetown \$120,033 for wastewater treatment services under the terms of the contract.

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$127,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 10: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 15, 2022. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GEORGETOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			VARIANCE	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 1,308,311	\$ 1,308,311	\$ 1,706,468	\$ 398,157	\$ 1,473,517
Licenses and Permits	105,050	127,550	167,405	39,855	293,976
Intergovernmental	160,200	188,200	249,963	61,763	75,000
Court	69,350	69,350	37,217	(32,133)	57,506
Interest	7,210	7,210	644	(6,566)	27,417
Miscellaneous	25,428	25,428	41,528	16,100	6,859
TOTAL REVENUES	<u>1,675,549</u>	<u>1,726,049</u>	<u>2,203,225</u>	<u>477,176</u>	<u>1,934,275</u>
EXPENDITURES					
Current					
General Government	333,260	372,260	372,592	(332)	367,193
Public Safety	613,369	613,369	493,215	120,154	466,538
Public Works	1,000,664	1,000,664	883,519	117,145	480,013
Parks and Recreation	229,234	229,234	246,407	(17,173)	161,139
TOTAL EXPENDITURES	<u>2,176,527</u>	<u>2,215,527</u>	<u>1,995,733</u>	<u>219,794</u>	<u>1,474,883</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(500,978)</u>	<u>(489,478)</u>	<u>207,492</u>	<u>696,970</u>	<u>459,392</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(18,445)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,445)</u>
NET CHANGE IN FUND BALANCE	(500,978)	(489,478)	207,492	696,970	440,947
FUND BALANCE, Beginning	<u>1,076,740</u>	<u>1,076,740</u>	<u>1,277,051</u>	<u>200,311</u>	<u>836,104</u>
FUND BALANCE, Ending	<u>\$ 575,762</u>	<u>\$ 587,262</u>	<u>\$ 1,484,543</u>	<u>\$ 897,281</u>	<u>\$ 1,277,051</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

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

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.0425%	0.0418%	0.0272%	0.0344%	0.0313%	0.0267%	0.0242%	0.0252%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (37,986)	\$ (47,193)	\$ (480)	\$ (12,412)	\$ (45,059)	\$ 33,723	\$ (13,669)	\$ (54,775)
Town's covered payroll	\$ 273,302	\$ 188,050	\$ 170,824	\$ 175,115	\$ 169,989	\$ 178,138	\$ 193,685	\$ 199,500
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-13.9%	-25.1%	-0.28%	-7.09%	-26.51%	18.93%	-7.06%	-27.46%
Plan fiduciary net position as a percentage of the total pension liability	105.8%	105.8%	100.10%	98.21%	106.34%	95.23%	101.90%	106.70%

Notes:

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

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

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Statutorily required contributions	\$ 14,761	\$ 15,044	\$ 11,121	\$ 13,666	\$ 14,009	\$ 13,599	\$ 14,251	\$ 15,495	\$ 15,960
Contributions in relation to the Statutorily required contributions	<u>14,761</u>	<u>15,044</u>	<u>11,121</u>	<u>13,666</u>	<u>14,009</u>	<u>13,599</u>	<u>14,251</u>	<u>15,495</u>	<u>15,960</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 184,516	\$ 188,050	\$ 139,007	\$ 170,824	\$ 175,115	\$ 169,989	\$ 178,138	\$ 193,685	\$ 199,500
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Notes:

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

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

As of December 31, 2021

	CONSERVATION	TOWN	TOTALS	
	TRUST FUND	PROMOTION FUND	2021	2020
ASSETS				
Current Assets				
Cash and Investments	\$ 38,863	\$ 51,531	\$ 90,394	\$ 141,925
TOTAL ASSETS	<u>\$ 38,863</u>	<u>\$ 51,531</u>	<u>\$ 90,394</u>	<u>\$ 141,925</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 1,147	\$ 1,147	\$ 2,495
TOTAL LIABILITIES	<u>-</u>	<u>1,147</u>	<u>1,147</u>	<u>2,495</u>
FUND EQUITY				
Restricted	<u>38,863</u>	<u>50,384</u>	<u>89,247</u>	<u>83,637</u>
TOTAL FUND EQUITY	<u>38,863</u>	<u>50,384</u>	<u>89,247</u>	<u>83,637</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 38,863</u>	<u>\$ 51,531</u>	<u>\$ 90,394</u>	<u>\$ 86,132</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2021

	CONSERVATION	TOWN	TOTALS	
	TRUST FUND	PROMOTION FUND	2021	2020
REVENUES				
Intergovernmental	\$ 6,741	\$ -	\$ 6,741	\$ 5,649
Charges for Services	-	45,925	45,925	47,573
Interest	1	-	1	25
Donations	-	714	714	675
TOTAL REVENUES	<u>6,742</u>	<u>46,639</u>	<u>53,381</u>	<u>53,922</u>
EXPENDITURES				
General Government	-	53,721	53,721	55,391
TOTAL EXPENDITURES	<u>-</u>	<u>53,721</u>	<u>53,721</u>	<u>55,391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,742</u>	<u>(7,082)</u>	<u>(340)</u>	<u>(1,469)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	24,395	24,395	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>24,395</u>	<u>24,395</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,742	17,313	24,055	(1,469)
FUND BALANCE, Beginning	<u>32,121</u>	<u>33,071</u>	<u>65,192</u>	<u>66,661</u>
FUND BALANCE, Ending	<u>\$ 38,863</u>	<u>\$ 50,384</u>	<u>\$ 89,247</u>	<u>\$ 65,192</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Lottery Revenues	\$ 5,400	\$ 6,741	\$ 1,341	\$ 5,649
Interest	50	1	(49)	25
TOTAL REVENUES	<u>5,450</u>	<u>6,742</u>	<u>1,292</u>	<u>5,674</u>
EXPENDITURES				
Parks and Recreation	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(19,550)	6,742	26,292	5,674
FUND BALANCE, Beginning	<u>31,879</u>	<u>32,121</u>	<u>242</u>	<u>26,447</u>
FUND BALANCE, Ending	<u>\$ 12,329</u>	<u>\$ 38,863</u>	<u>\$ 26,534</u>	<u>\$ 32,121</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

TOWN PROMOTION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021			VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 49,720	\$ 50,720	\$ 45,925	\$ (4,795)	\$ 47,573
Donations	1,000	1,000	714	(286)	675
TOTAL REVENUES	<u>50,720</u>	<u>51,720</u>	<u>46,639</u>	<u>(5,081)</u>	<u>48,248</u>
EXPENDITURES					
Current					
General Government					
Professional Services	38,556	38,556	31,546	7,010	32,648
General and Administrative	17,900	17,900	22,175	(4,275)	22,743
TOTAL EXPENDITURES	<u>56,456</u>	<u>56,456</u>	<u>53,721</u>	<u>2,735</u>	<u>55,391</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,736)</u>	<u>(4,736)</u>	<u>(7,082)</u>	<u>(2,346)</u>	<u>(7,143)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	24,395	24,395	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>24,395</u>	<u>24,395</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(5,736)	(4,736)	17,313	22,049	(7,143)
FUND BALANCE, Beginning	<u>33,230</u>	<u>33,230</u>	<u>33,071</u>	<u>(159)</u>	<u>40,214</u>
FUND BALANCE, Ending	<u>\$ 27,494</u>	<u>\$ 28,494</u>	<u>\$ 50,384</u>	<u>\$ 21,890</u>	<u>\$ 33,071</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SALES TAX FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021			VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Sales Tax	\$ 215,630		\$ 331,278	\$ 331,278	\$ 240,183
Intergovernmental	-		105,801	105,801	95,416
Interest	500		11	11	271
TOTAL REVENUES	<u>216,130</u>	<u>-</u>	<u>437,090</u>	<u>437,090</u>	<u>335,870</u>
EXPENDITURES					
Current					
General Government					
Parks and Recreation	-		-	-	1,140
General and Administrative	-		-	-	-
Capital Outlay	269,360		144,091	(144,091)	339,139
Debt Service					
Principal	9,376		39,820	(39,820)	34,235
Interest	4,636		4,635	(4,635)	4,975
TOTAL EXPENDITURES	<u>283,372</u>	<u>-</u>	<u>188,546</u>	<u>(188,546)</u>	<u>379,489</u>
NET CHANGE IN FUND BALANCE	(67,242)	-	248,544	248,544	(43,619)
FUND BALANCE, Beginning	<u>381,534</u>	<u>-</u>	<u>253,460</u>	<u>253,460</u>	<u>297,079</u>
FUND BALANCE, Ending	<u>\$ 314,292</u>	<u>\$ -</u>	<u>\$ 502,004</u>	<u>\$ 502,004</u>	<u>\$ 253,460</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021			VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 922,500	\$ 922,500	\$ 1,057,773	\$ 135,273	\$ 993,608
Intergovernmental	1,000	1,000	1,205	205	971
Development Fees	22,455	22,455	37,425	14,970	14,970
Capital Contribution	-	-	-	-	-
Other Revenues	9,564	9,564	2,584	(6,980)	60,779
TOTAL REVENUES	955,519	955,519	1,098,987	143,468	1,070,328
EXPENDITURES					
Salaries and Benefits	190,938	190,938	222,323	(31,385)	225,583
Professional Services	99,360	99,360	35,663	63,697	50,098
Repairs and Maintenance	66,500	66,500	51,155	15,345	63,001
Administration and General	188,265	194,265	78,658	115,607	72,823
Miscellaneous	-	-	980	(980)	376
Capital Outlay	10,000	10,000	-	10,000	29,574
Debt Service					
Principal	129,927	129,927	-	129,927	128,730
Interest	65,738	65,738	52,812	12,926	52,800
TOTAL EXPENDITURES	750,728	756,728	441,591	315,137	622,985
NET INCOME, Budget Basis	\$ 204,791	\$ 198,791	657,396	\$ 458,605	447,343
GAAP BASIS ADJUSTMENTS					
Capital Outlay			-		-
Depreciation			(309,073)		(339,167)
Principal Paid on Long-Term Debt			-		128,730
NET INCOME, GAAP Basis			348,323		236,906
NET POSITION, Beginning			6,842,218		6,605,312
NET POSITION, Ending			\$ 7,190,541		\$ 6,842,218

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SEWER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021			VARIANCE	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Charges for Services	\$ 710,600	\$ 710,600	\$ 772,497	\$ 61,897	\$ 696,554
Intergovernmental	118,800	118,800	120,033	1,233	117,141
Development Fees	19,200	19,200	32,000	12,800	12,800
Capital Contribution			-	-	-
Other Revenues	17,500	17,500	5,181	(12,319)	61,167
TOTAL REVENUES	866,100	866,100	929,711	63,611	887,662
EXPENDITURES					
Salaries and Benefits	185,583	185,583	221,206	(35,623)	224,998
Professional Services	36,360	46,360	4,836	41,524	6,806
Repairs and Maintenance	224,000	224,000	120,143	103,857	68,885
Administration and General	274,107	274,107	200,910	73,197	191,485
Miscellaneous	-	-	877	(877)	376
Capital Outlay	15,000	15,000	-	15,000	522
Debt Service					
Principal	235,374	235,374		235,374	233,398
Interest	21,598	21,598	26,166	(4,568)	19,464
TOTAL EXPENDITURES	992,022	1,002,022	574,138	427,884	745,934
NET INCOME, Budget Basis	\$ (125,922)	\$ (135,922)	355,573	\$ 491,495	141,728
GAAP BASIS ADJUSTMENTS					
Capital Outlay			-		-
Depreciation			(267,048)		(314,172)
Principal Paid on Long-Term Debt			-		233,398
NET INCOME, GAAP Basis			88,525		60,954
NET POSITION, Beginning			4,224,887		4,163,933
NET POSITION, Ending			\$ 4,313,412		\$ 4,224,887

See the accompanying independent auditors' report.

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Georgetown
	YEAR ENDING : December 2021

This Information From The Records Of (example - City of _ or County of _) Town of Georgetown	Prepared By: Phone:	Mary Sims 303-569-2555 x4
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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)	429,474
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,464
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,657
2. General fund appropriations	622,512	b. Snow and ice removal	2,711
3. Other local imposts (from page 2)	343,381	c. Other	
4. Miscellaneous local receipts (from page 2)	37,217	d. Total (a. through c.)	6,368
5. Transfers from toll facilities		4. General administration & miscellaneous	451,741
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	177,134
a. Bonds - Original Issues		6. Total (1 through 5)	1,069,181
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,003,110	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	66,071	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,069,181	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,069,181

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,069,181	1,069,181		0

Notes and Comments:

unaudited 2021 figures

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

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	66,963	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	37,217
1. Sales Taxes	253,779	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	22,639	g. Other Misc. Receipts	
6. Total (1. through 5.)	276,418	h. Other	
c. Total (a. + b.)	343,381	i. Total (a. through h.)	37,217
	(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	60,102	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	5,970	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	5,970	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	66,071	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		429,474	429,474
(5). Total Construction (1) + (2) + (3) + (4)	0	429,474	429,474
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	429,474	429,474
			(Carry forward to page 1)

Notes and Comments:

unaudited 2021 figures