



Town of Gilcrest, Colorado

Financial Statements and Supplementary
Information

For the Year Ended December 31, 2019



Town of Gilcrest, Colorado

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Gilcrest, Colorado (the "Town"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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 the aggregate remaining fund information of the Town of Gilcrest, Colorado as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Emphasis of Matters

The COVID-19 outbreak in 2020, see Note 12, has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the budgetary comparison information on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 budgetary comparison information on pages 40 through 43 and the Local Highway Finance Report on pages 44 and 45, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information and the Local Highway Finance Report 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 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

ACM LLP

Greeley, Colorado
July 28, 2020

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

This section of the annual financial report offers readers of the Town of Gilcrest's (the "Town") financial statements management's discussion and analysis of the Town's financial performance during the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Background Information

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

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

Financial Highlights

- The Town financial status improved over the course of the 2019 fiscal year. Total net position increased 5.8 percent.
- General revenues account for \$551,295 or 34.5 percent of all revenues. The Town had \$1,046,857 in program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions during 2019.
- The Town had \$744,056 in expenses related to governmental activities, of which \$601,543 were offset by program specific charges for services and operating grants and contributions. General revenues (property, specific ownership, sales and use and other taxes) of \$1,119,378 were adequate to provide for all other governmental activities.
- Outlays for capital assets were primarily comprised of the improvements to the utility system and for the general government operations. See the capital assets section of this management discussion and analysis for more information.
- The Town's outstanding debt at December 31, 2019, consists of \$59,200 in general obligation bonds, \$87,887 in Energy Impact Assistance Loans, and \$630,711 in a Colorado Water Resources and Power Development Authority Loan.

Overview of the Financial Statements

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

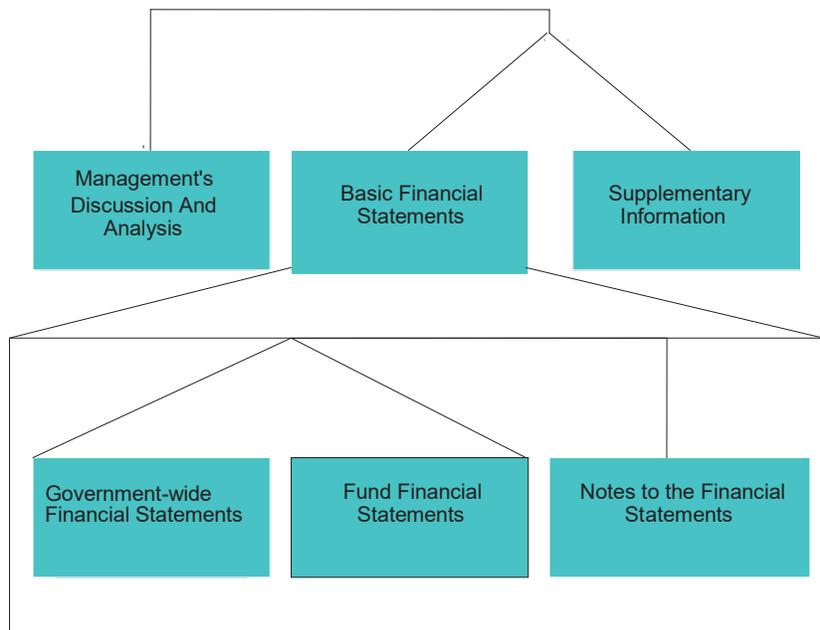
- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The governmental funds statements tell how basic services were financed in the short-term, as well as what remains for future spending.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

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

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

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

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



SUMMARY



DETAILED

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

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

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

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

Government-wide Statements

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

Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019

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

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

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

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

These statements can be found on pages 13-15 of this report.

Fund Financial Statements

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

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

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

The basic governmental fund financial statements can be found on pages 16-18 of this report.

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

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

The basic proprietary fund statements can be found on pages 19-22 of this report.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 23-38 of this report.

Other Information

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

Financial Analysis of the Town as a Whole

Net position and Changes in Net Position

The Town's combined net position was larger on December 31, 2019, than it was the year before, increasing 5.8 percent to \$5,674,174. Table 3 provides a summary of the Town's net position at December 31, 2019, with comparative totals for 2018.

**Table 3
Condensed Statement of Net Position**

	Governmental Activities	Business-Type Activities	Total 2019	Total 2018
Current assets	\$ 1,502,022	\$ 715,104	\$ 2,217,126	\$ 1,775,929
Restricted assets	-	37,277	37,277	53,093
Capital assets	684,090	3,827,976	4,512,066	4,644,002
Total assets	2,186,112	4,580,357	6,766,469	6,473,024
Current liabilities	29,905	18,575	48,480	53,630
Long-term liabilities	8,431	784,171	792,602	856,892
Total liabilities	38,336	802,746	841,082	910,522
Deferred inflows of resources	229,117	22,096	251,213	201,042
Net investment in capital assets	684,090	3,050,178	3,734,268	3,801,650
Restricted	81,432	37,277	118,709	123,497
Unrestricted	1,153,137	668,060	1,821,197	1,436,313
Total net position	\$ 1,918,659	\$ 3,755,515	\$ 5,674,174	\$ 5,361,460

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

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

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

	Governmental Activities	Business-Type Activities	Total 2019	Total 2018
<u>Program revenues</u>				
Charges for services	\$ 191,348	\$ 445,314	\$ 636,662	\$ 671,360
Grants and contributions	410,195	-	410,195	168,229
<u>General revenue</u>				
Property taxes	179,481	21,023	200,504	196,208
Specific ownership taxes	13,468	-	13,468	15,055
Sales and use taxes	170,332	-	170,332	125,709
Franchise taxes	28,439	-	28,439	32,027
Other taxes	64,506	-	64,506	69,894
Earnings on investments	46,879	2,437	49,316	24,025
Other	24,730	-	24,730	75,302
Transfers	(10,000)	10,000	-	-
<u>Total revenues</u>	<u>1,119,378</u>	<u>478,774</u>	<u>1,598,152</u>	<u>1,377,809</u>
<u>Expenses</u>				
General government	229,853	-	229,853	166,283
Public safety	148,592	-	148,592	147,158
Public works	207,679	-	207,679	211,050
Health and welfare	53,997	-	53,997	22,187
Culture, recreation, and parks	103,935	-	103,935	93,833
Water	-	213,332	213,332	230,714
Sewer	-	306,008	306,008	277,579
Stormwater	-	22,042	22,042	22,156
<u>Total expenses</u>	<u>744,056</u>	<u>541,382</u>	<u>1,285,438</u>	<u>1,170,960</u>
Change in net position	<u>\$ 375,322</u>	<u>\$ (62,608)</u>	<u>\$ 312,714</u>	<u>\$ 206,849</u>

Property, specific ownership, sales and use, franchise and other taxes account for 30 cents for every dollar raised. Another 40 cents came from charges for services, operating and capital grants and contributions raised 26 cents, and earnings on investments and other revenues account for 5 cents. The Town expenses predominantly relate to police protection, building inspection, maintenance of the Town's streets and infrastructure, general government and recreation.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Governmental Activities

The increase in net position for governmental activities was \$375,322 in 2019. The governmental funds monitor cash resources and expenditures. There was \$98,793 in capital outlay during 2019 in the governmental funds. Capital outlay is often a significant expenditure and is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities page 18, the net difference between capital outlays and depreciation expenses was \$17,166.

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

**Table 5
Net Cost of Governmental Activities**

	2019		2018
	Total Cost of Services	Net Cost of Services	Net Cost of Services
General government	\$ 229,853	\$ 220,065	\$ 156,248
Public safety	148,592	110,103	98,752
Public works	207,679	(300,479)	(42,422)
Health and welfare	53,997	53,997	22,187
Culture, recreation and parks	103,935	58,827	19,430
Total	\$ 744,056	\$ 142,513	\$ 254,195

Financial Analysis of the Town's General Fund

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

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

The primary projects or program efforts for establishing needed funding during 2018 were:

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

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the General Fund anticipated that expenditures would exceed revenues by \$176,706 due to the expending of one-time sources for certain projects. The actual results for the year show revenues exceeding expenditures by \$365,077.

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

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Culture, Recreation and Parks
- Debt Service
- Capital Outlay
- The Town must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2019, the Town's TABOR reserve amounted to \$33,507.

Capital Assets and Debt Administration

Capital Assets

By the end of 2019, the Town had invested \$4,512,066, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, land improvements, vehicles and other equipment. This amount represents a decrease of \$131,936 or 2.8 percent from last year. Additional information on the Town's capital assets can be found in Note 5 to the financial statements. Total depreciation expense for the year was \$41,582 in the governmental funds and \$156,080 in the enterprise funds.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

**Table 6
Capital Assets (Net of Accumulated Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and water rights	\$ 37,514	\$ 37,514	\$ 683,075	\$ 683,075	\$ 720,589	\$ 720,589
System enhancement fees	-	-	137,500	137,500	137,500	137,500
Land improvements	212,748	219,384	-	-	212,748	219,384
Buildings and improvements	47,948	52,006	-	-	47,948	52,006
Vehicles and equipment	151,659	111,660	6,872	4,392	158,531	116,052
Street and improvements	234,221	246,360	-	-	234,221	246,360
Utility systems	-	-	3,000,529	3,152,111	3,000,529	3,152,111
Total	\$ 684,090	\$ 666,924	\$3,827,976	\$3,977,078	\$4,512,066	\$4,644,002

Long-Term Debt

At year-end the Town had \$59,200 in general obligation bonds, a reduction of 22.7 percent from the previous year, \$630,711 in CWRPDA loan, a reduction of 5.6 percent from the previous year, and \$87,887 in energy impact assistance loans which was reduced by 10.0 percent during 2019. In May 2018, the principal amount of the 2015 CWRPDA loan was reduced by \$271,517 for unused project funds. More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

**Table 7
Outstanding Long-Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ -	\$ -	\$ 59,200	\$ 76,600	\$ 59,200	\$ 76,600
CWRPDA loan	-	-	630,711	668,150	630,711	668,150
Energy impact assistance loans	-	-	87,887	97,602	87,887	97,602
Total	\$ -	\$ -	\$ 777,798	\$ 842,352	\$ 777,798	\$ 842,352

Factors Bearing on the Town's Future

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

In 2020, 100% of the 1% sales tax approved for capital improvements will be allocated to the Capital Improvement fund which is reported within the General fund. Future capital projects such as water, sewer, stormwater and street projects will be funded from the appropriate fund supported by transfers out of the Capital Improvement Fund as determined by the Town Board during the budgeting process.

**Town of Gilcrest, Colorado
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

The Town has developed a capital improvement plan to assist in saving funds yearly to accomplish large purchases and/or projects. The 2019 budget includes \$100,000 for the purpose of constructing a larger public works building.

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

Contacting the Town's Financial Management

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

Basic Financial Statements

Town of Gilcrest, Colorado
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,334,842	\$ 533,575	\$ 1,868,417
Accounts and taxes receivables	281,749	66,715	348,464
Internal balances	(114,700)	114,700	-
Prepaid items	131	114	245
Restricted cash and cash equivalents	-	37,277	37,277
Capital assets:			
Not being depreciated	37,514	820,575	858,089
Being depreciated, net of accumulated depreciation	646,576	3,007,401	3,653,977
Total assets	2,186,112	4,580,357	6,766,469
Liabilities			
Accounts payable	28,776	10,325	39,101
Accrued wages payable	1,129	1,035	2,164
Accrued interest payable	-	7,215	7,215
Noncurrent liabilities:			
Compensated absences	8,431	6,373	14,804
Due within one year	-	66,515	66,515
Due in more than one year	-	711,283	711,283
Total liabilities	38,336	802,746	841,082
Deferred inflows of resources			
Deferred revenue- property taxes	229,117	22,096	251,213
Total deferred inflows of resources	229,117	22,096	251,213
Net position			
Net investment in capital assets	684,090	3,050,178	3,734,268
Restricted for:			
Emergencies	33,507	-	33,507
Debt service	-	37,277	37,277
Parks and recreation	47,925	-	47,925
Unrestricted	1,153,137	668,060	1,821,197
Total net position	\$ 1,918,659	\$ 3,755,515	\$ 5,674,174

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

Town of Gilcrest, Colorado
Statement of Activities
Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental activities:				
General government	\$ 229,853	\$ 9,788	\$ -	\$ -
Public safety	148,592	38,489	-	-
Public works	207,679	110,439	357,674	40,045
Health and welfare	53,997	-	-	-
Culture, recreation and parks	103,935	32,632	12,476	-
Total government activities	744,056	191,348	370,150	40,045
Business-type activities:				
Water	213,332	193,983	-	-
Sewer	306,008	233,158	-	-
Stormwater	22,042	18,173	-	-
Total business-type activities	541,382	445,314	-	-
Total primary government	\$ 1,285,438	\$ 636,662	\$ 370,150	\$ 40,045

General revenues

Taxes:

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

Earnings on investments

Other revenues

Transfers

Total general revenues

Changes in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (220,065)	\$ -	\$ (220,065)
(110,103)	-	(110,103)
300,479	-	300,479
(53,997)	-	(53,997)
(58,827)	-	(58,827)
(142,513)	-	(142,513)
-	(19,349)	(19,349)
-	(72,850)	(72,850)
-	(3,869)	(3,869)
-	(96,068)	(96,068)
(142,513)	(96,068)	(238,581)
179,481	-	179,481
-	21,023	21,023
13,468	-	13,468
170,332	-	170,332
28,439	-	28,439
64,506	-	64,506
46,879	2,437	49,316
24,730	-	24,730
(10,000)	10,000	-
517,835	33,460	551,295
375,322	(62,608)	312,714
1,543,337	3,818,123	5,361,460
\$ 1,918,659	\$ 3,755,515	\$ 5,674,174

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

Town of Gilcrest, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	General	Conservation Trust (Nonmajor)	Total Governmental Funds
Assets			
Equity in pooled cash and cash equivalents	\$ 1,191,502	\$ 143,340	\$ 1,334,842
Accounts and taxes receivable	281,749	-	281,749
Prepaid items	123	8	131
Totals assets	\$ 1,473,374	\$ 143,348	\$ 1,616,722
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	\$ 28,721	\$ 55	\$ 28,776
Due to other funds	19,391	95,309	114,700
Accrued wages payable	1,078	51	1,129
Total liabilities	49,190	95,415	144,605
Deferred inflows of resources			
Deferred revenue- property taxes	229,117	-	229,117
Total deferred inflows of resources	229,117	-	229,117
Fund balances			
Nonspendable	123	8	131
Restricted	33,507	47,925	81,432
Unreserved, reported in:			
Designated in the special revenue funds	-	-	-
Assigned	-	-	-
Unassigned	1,161,437	-	1,161,437
Total fund balances	1,195,067	47,933	1,243,000
Total liabilities, deferred inflows of resources and fund balances	\$ 1,473,374	\$ 143,348	\$ 1,616,722

Amounts reported for governmental activities in the statement of net position are different because:
Fund balances of governmental funds \$ 1,243,000

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

Capital assets	\$ 1,865,685	
Less: accumulated depreciation	<u>(1,181,595)</u>	684,090

Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the fund financial (8,431)

Total net position of governmental activities \$ 1,918,659

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

Town of Gilcrest, Colorado
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2019

	General	Conservation Trust (Nonmajor)	Total Governmental Funds
Revenues			
Taxes	\$ 456,226	\$ -	\$ 456,226
Licenses and permits	41,303	-	41,303
Charges for services	111,841	-	111,841
Fines and forfeitures	38,204	-	38,204
Intergovernmental	397,719	12,476	410,195
Earnings on investments	43,734	3,145	46,879
Miscellaneous revenue	24,730	-	24,730
Total revenues	1,113,757	15,621	1,129,378
Expenditures			
Current:			
General government	173,944	-	173,944
Public safety	134,775	-	134,775
Public works	201,946	-	201,946
Health and welfare	53,997	-	53,997
Culture, recreation and parks	85,225	11,494	96,719
Capital outlay	98,793	-	98,793
Total expenditures	748,680	11,494	760,174
Excess of revenues over expenditures	365,077	4,127	369,204
Other financing sources (uses)			
Transfers out	(10,000)	-	(10,000)
Total other financing sources (uses)	(10,000)	-	(10,000)
Net change in fund balance	355,077	4,127	359,204
Fund balances at beginning of year	839,990	43,806	883,796
Fund balances at end of year	\$ 1,195,067	\$ 47,933	\$ 1,243,000

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

Town of Gilcrest, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances with the Government-wide Statement of Activities
Year Ended December 31, 2019

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

Total net change in fund balances - governmental funds. \$ 359,204

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

Capital outlay	\$ 58,748	
Depreciation expense	<u>(41,582)</u>	17,166

Increase in accrued compensated absences liability reflected against expense on the statement of activities and not reflected against expense on the governmental funds statement of revenue, expenditures and changes in fund balances. (1,048)

Change in net position of governmental activities \$ 375,322

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

Town of Gilcrest, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	Water Fund	Sewer Fund	Stormwater Fund	Totals
Assets				
Current assets				
Equity in pooled cash and cash equivalents	\$ 380,169	\$ 60,926	\$ 92,480	\$ 533,575
Accounts and taxes receivable	37,868	26,726	2,121	66,715
Prepaid items	57	51	6	114
Due from other funds	114,700	-	-	114,700
Total current assets	532,794	87,703	94,607	715,104
Noncurrent assets				
Restricted cash and cash equivalents	-	37,277	-	37,277
Capital assets				
Land and water rights	554,703	47,575	80,797	683,075
System enhancement fee	137,500	-	-	137,500
Buildings and improvements	30,019	3,600	-	33,619
Utility system	1,672,933	2,731,316	651,182	5,055,431
Equipment	55,721	63,813	-	119,534
Less accumulated depreciation	(1,026,440)	(1,061,023)	(113,720)	(2,201,183)
Total capital assets, net	1,424,436	1,785,281	618,259	3,827,976
Total noncurrent assets	1,424,436	1,822,558	618,259	3,865,253
Total assets	1,957,230	1,910,261	712,866	4,580,357
Liabilities				
Current liabilities				
Accounts payable	5,739	4,492	94	10,325
Accrued wages payable	449	542	44	1,035
Accrued interest payable	4,539	2,676	-	7,215
Current portion of bonds and loans payable	22,971	43,544	-	66,515
Total current liabilities	33,698	51,254	138	85,090
Noncurrent liabilities				
Bonds and loans payable, net of current	92,459	618,824	-	711,283
Compensated absences	3,277	2,726	370	6,373
Total noncurrent liabilities	95,736	621,550	370	717,656
Total liabilities	129,434	672,804	508	802,746
Deferred inflows of resources				
Deferred revenue- property taxes	22,096	-	-	22,096
Total deferred inflows of resources	22,096	-	-	22,096
Net position				
Net investment in capital assets	1,309,006	1,122,913	618,259	3,050,178
Restricted for debt service	-	37,277	-	37,277
Unrestricted	496,694	77,267	94,099	668,060
Total net position	\$ 1,805,700	\$ 1,237,457	\$ 712,358	\$ 3,755,515

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

Town of Gilcrest, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2019

	Water Fund	Sewer Fund	Stormwater Fund	Totals
Operating revenues				
Charges for services	\$ 193,983	\$ 233,158	\$ 18,173	\$ 445,314
Total operating revenues	193,983	233,158	18,173	445,314
Operating expenses				
Operations and maintenance	119,775	140,841	9,018	269,634
Administration	49,735	49,773	-	99,508
Depreciation	36,106	106,950	13,024	156,080
Total operating expenses	205,616	297,564	22,042	525,222
Operating loss	(11,633)	(64,406)	(3,869)	(79,908)
Nonoperating revenues (expenses)				
Property taxes	21,023	-	-	21,023
Earnings on investments	1,238	1,199	-	2,437
Interest expense	(7,716)	(8,444)	-	(16,160)
Total nonoperating revenues (expenses)	14,545	(7,245)	-	7,300
Loss before transfers	2,912	(71,651)	(3,869)	(72,608)
Transfers in	6,108	-	10,000	16,108
Transfers out	-	-	(6,108)	(6,108)
Changes in net position	9,020	(71,651)	23	(62,608)
Net position at beginning of year	1,796,680	1,309,108	712,335	3,818,123
Net position at end of year	\$ 1,805,700	\$ 1,237,457	\$ 712,358	\$ 3,755,515

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

Town of Gilcrest, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	Water Fund	Sewer Fund	Stormwater Fund	Total
Cash flows from operating activities				
Cash received from customers	\$ 203,366	\$ 236,744	\$ 18,800	\$ 458,910
Cash payments to suppliers	(91,106)	(119,417)	(1,564)	(212,087)
Cash payments to employees	(78,182)	(70,601)	(7,447)	(156,230)
Net cash flows from operating activities	34,078	46,726	9,789	90,593
Cash flows from non-capital financing activities				
Property taxes	21,023	-	-	21,023
Change in interfund balances	115,433	-	-	115,433
Transfers in	6,108	-	10,000	16,108
Transfers out	-	-	(6,108)	(6,108)
Net cash flows from non-capital financing activities	142,564	-	3,892	146,456
Cash flows from capital and related financing activities				
Change in restricted cash and cash equivalents	-	15,816	-	15,816
Change in loan proceeds receivable	-	-	-	-
Cash paid for capital assets	(3,489)	(3,489)	-	(6,978)
Principal paid on long-term debt	(21,658)	(42,896)	-	(64,554)
Interest paid on long-term debt	(7,716)	(8,444)	-	(16,160)
Net cash flows from capital and related financing activities	(32,863)	(39,013)	-	(71,876)
Cash flows from investing activities				
Earnings on investments	1,238	1,199	-	2,437
Net cash flows from investing activities	1,238	1,199	-	2,437
Net change in cash and cash equivalents	145,017	8,912	13,681	167,610
Cash and cash equivalents at beginning of year	235,152	52,014	78,799	365,965
Cash and cash equivalents at end of year	\$ 380,169	\$ 60,926	\$ 92,480	\$ 533,575

Continued.

Town of Gilcrest, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	Water Fund	Sewer Fund	Stormwater Fund	Total
Reconciliation of operating loss to net cash flows from operating activities				
Operating loss	\$ (11,633)	\$ (64,406)	\$ (3,869)	\$ (79,908)
Adjustments to reconcile operating loss to net cash flows from operating activities:				
Depreciation	36,106	106,950	13,024	156,080
Changes in operating assets and liabilities				
Accounts and taxes receivable	9,383	3,586	627	13,596
Prepaid items	337	173	(6)	504
Accounts payable	2,363	2,731	94	5,188
Accrued wages payable	(1,609)	(1,394)	(5)	(3,008)
Accrued payroll taxes payable	(535)	(491)	(49)	(1,075)
Accrued compensated absences payable	(334)	(423)	(27)	(784)
Net cash flows from operating activities	\$ 34,078	\$ 46,726	\$ 9,789	\$ 90,593

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies

Form of Organization

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

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

Reporting Entity

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

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

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

Government-wide and Fund Financial Statements

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

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

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

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

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

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

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

Budgets

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

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

The following table summarizes the individual fund budgeted expenditures for 2019, as originally adopted, and as revised:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General fund	\$ 906,279	\$ 8,906	\$ 915,185
Conservation trust fund	29,214	-	29,214
Business type fund:			
Water fund	269,297	-	269,297
Sewer fund	258,702	-	258,702
Stormwater fund	33,564	-	33,564
Total funds	\$ 1,497,056	\$ 8,906	\$ 1,505,962

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

Cash and Cash Equivalents

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

Restricted Cash

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

Short-Term Interfund Receivables/Payables

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

Bond Premium and Debt Issuance Costs

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, water lines, storm-water drainage, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

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

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

Compensated Absences

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

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of \$8,431 for the governmental activities and \$6,373 for the business-type activities on the statement of net position at December 31, 2019.

On the governmental fund financial statements, where applicable, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. At December 31, 2019, there is no accrual in the fund financial statements.

Accrued Liabilities and Long-Term Obligations

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

Fund Balance and Net Position

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

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

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

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

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

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

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

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

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

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

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

At December 31, 2019, fund balances are composed of the following:

	General Fund	Conservation Trust Fund	Total
Nonspendable:			
Prepaid items	\$ 123	\$ 8	\$ 131
Restricted:			
Emergencies	32,306	-	32,306
Parks and recreation	-	47,925	47,925
Unassigned	1,162,638	-	1,162,638
Total fund balances	\$ 1,195,067	\$ 47,933	\$ 1,243,000

Revenue Recognition/Property Taxes

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

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

Interfund Transactions

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

Use of Estimates

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

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

2. Cash and Cash Equivalents

Custodial Credit Risk - Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes ("CRS") require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2019, the Town had deposits with financial institutions with a carrying amount of \$464,972. The bank balances with the financial institutions was \$469,122 of which \$250,000 was covered by federal depository insurance. The remaining balances of \$217,044, were collateralized with securities held by the financial institutions' agents but not in the District's name

At December 31, 2019, the Town had cash and cash equivalent balances, including restricted cash, as follows:

Cash on hand	\$ 350
Cash deposits	45,972
Local government investment pool	51,881
Total cash and cash equivalents	\$ 98,203
	(1,807,491)

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

Statement of net position:	
Cash and cash equivalents	\$ 1,868,417
Restricted cash and cash equivalents	37,277
Total	\$ 1,905,694

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

Investments

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

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

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

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2019, the Town had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust, discussed below.

Interest Rate Risk

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

Local Government Investment Pools

At December 31, 2019, the Town had invested \$1,440,372 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents in the Sewer Fund are \$37,277 as established by the 2015 revenue bonds to be used to prevent default in the payment of the sewer revenue bonds and interest thereon.

3. Receivables

Receivables at December 31, 2019, consisted of the following:

Types	Governmental Activities	Business-Type Activities	Total
Taxes	\$ 238,575	\$ 22,564	\$ 261,139
Trade accounts	8,442	44,151	52,593
Intergovernmental	34,732	-	34,732
Total	\$ 281,749	\$ 66,715	\$ 348,464

4. Individual Fund Interfund Transfers and Balances Receivable/Payable

Interfund Transfers

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

	Transfers In	Transfers Out
Governmental funds:		
Major fund		
General	\$ -	\$ (10,000)
Proprietary funds:		
Major funds		
Water	6,108	-
Stormwater	10,000	(6,108)
Total	\$ 16,108	\$ (16,108)

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

Interfund Balances Receivable/Payable

The Town's interfund receivables and payables at December 31, 2019 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from the need to cover the temporary negative cash positions in individual funds.

	Due to	Due from
Governmental funds:		
Major fund		
General	\$ -	\$ (19,391)
Nonmajor fund		
Conservation Trust	-	(95,309)
Proprietary funds:		
Major funds		
Water	114,700	-
Total	\$ 114,700	\$ (114,700)

5. Capital Assets

A summary of changes in governmental activities capital assets for the year ended December 31, 2019, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 37,514	\$ -	\$ -	\$ 37,514
Total capital assets, not being depreciated	37,514	-	-	37,514
Capital assets, being depreciated:				
Land improvements	307,894	-	-	307,894
Buildings and improvements	135,201	-	-	135,201
Vehicles and equipment	540,845	58,748	-	599,593
Streets	785,483	-	-	785,483
Total capital assets, being depreciated	1,769,423	58,748	-	1,828,171
Less accumulated depreciation for:				
Land improvements	(88,510)	(6,636)	-	(95,146)
Buildings and improvements	(83,195)	(4,058)	-	(87,253)
Vehicles and equipment	(429,185)	(18,749)	-	(447,934)
Streets	(539,123)	(12,139)	-	(551,262)
Total accumulated depreciated	(1,140,013)	(41,582)	-	(1,181,595)
Total capital assets, being depreciated, net	629,410	17,166	-	646,576
Governmental activities capital assets, net	\$ 666,924	\$ 17,166	\$ -	\$ 684,090

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

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

Governmental Activities:	
General government	\$ 15,864
Public safety	12,769
Public works	5,733
Culture, recreation and parks	7,216
Total depreciation expense - governmental activities	\$ 41,582

A summary of changes in business-type activities capital assets for the year ended December 31, 2019, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 137,736	\$ -	\$ -	\$ 137,736
Water rights	545,339	-	-	545,339
System enhancement fee	137,500	-	-	137,500
Total capital assets, not being depreciated	820,575	-	-	820,575
Capital assets, being depreciated:				
Buildings and improvements	33,619	-	-	33,619
Equipment	112,556	6,978	-	119,534
Utility systems	5,055,431	-	-	5,055,431
Total capital assets, being depreciated	5,201,606	6,978	-	5,208,584
Less accumulated depreciation for:				
Buildings and improvements	(33,619)	-	-	(33,619)
Equipment	(108,164)	(4,498)	-	(112,662)
Utility systems	(1,903,320)	(151,582)	-	(2,054,902)
Total accumulated depreciation	(2,045,103)	(156,080)	-	(2,201,183)
Total capital assets, being depreciated, net	3,156,503	(149,102)	-	3,007,401
Total business-type activities capital assets, net	\$ 3,977,078	\$ (149,102)	\$ -	\$ 3,827,976

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

Business-type Activities:	
Water	\$ 36,106
Sewer	106,950
Stormwater	13,024
Total depreciation expense - business-type activities	\$ 156,080

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

6. Long-Term Debt

Business-type Activities:

2004 Energy Impact Assistance Loan (“EIAF”)

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

2009 Energy Impact Assistance Loan (“EIAF”)

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

1993 General Obligation Bonds

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

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

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

Changes in long-term debt for the year ended December 31, 2019 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-type activities:					
2004 EIAF loan	\$ 37,114	\$ -	\$ (5,457)	\$ 31,657	\$ 5,729
2009 EIAF loan	60,488	-	(4,258)	56,230	4,471
1993 general obligation bond	76,600	-	(17,400)	59,200	18,500
2015 CWRPDA loan	668,150	-	(37,439)	630,711	37,815
Accrued compensated absences	6,373	7,591	(9,767)	4,197	-
Total	\$ 848,725	\$ 7,591	\$ (74,321)	\$ 781,995	\$ 66,515

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

The following table represents future debt service requirements on the business-type activity debt as December 31, 2019:

Year	Principal	Interest	Total
2020	\$ 66,515	\$ 14,233	\$ 80,748
2021	68,504	12,210	80,714
2022	70,922	10,092	81,014
2023	50,771	7,851	58,622
2024	51,752	6,870	58,622
2025-2029	227,359	22,253	249,612
2030-2034	220,072	7,000	227,072
2035	21,903	110	22,013
Total	\$ 777,798	\$ 80,619	\$ 858,417

7. Rate Maintenance

Sewer Fund

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

The following calculation shows the Town was not in compliance with the rate maintenance provision of this loan agreement. The Town approved a 5% increase in sewer rates effective February 1, 2020 to address this violation.

Operating revenues	\$ 233,158	
Less operating expenses, excluding depreciation	<u>(190,614)</u>	
Net revenue as defined in the bond agreement		42,544
2019 principal due	37,439	
2019 interest due	<u>6,858</u>	
	44,297	
	x110%	48,727
Amount the current year revenues were less than the 2015 loan agreement.		<u>\$ (6,183)</u>

8. Pledged Revenues

The Town has pledged future water customer revenues, net of specified operating expenses, to repay the \$90,000, 2009 Energy Impact Assistance Loan. The proceeds were used to make water system improvements and are payable through 2029. Annual principal and interest payments on this debt is expected to require less than 50% of net revenues as defined in the debt agreements. Total principal and interest remaining to be paid on this debt is \$72,820. Principal and interest paid for the current year and total customer revenues were \$7,282 and \$193,983, respectively.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

The Town has pledged future sewer customer revenues, net of specified operating expenses, to repay \$90,000 in sewer system energy impact assistance loan issued in 2004. The proceeds were used to make sewer system improvements and are payable through 2024. Annual principal and interest payments on the loan are expected to require approximately 75% of net revenues of the sewer fund. Total principal and interest remaining to be paid on the bonds is \$36,560. Principal and interest paid for the current year and total customer revenues were \$7,312 and \$233,158, respectively.

9. Lease Revenue

The Town leases several plots of land to companies to place towers under operating lease agreements for five to ten year initial terms through 2030. The total lease revenue received as of December 31, 2019, was approximately \$30,000. The future minimum rent payments to be received are as follows:

Year		
2020	\$	31,429
2021		32,163
2022		32,915
2023		33,687
2024		34,477
2025-2029		184,947
2030		39,651
	\$	389,269

10. Contingency

Risk Management

The Town is self insured for property and liability insurance. In order to mitigate risk, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”). CIRSA has a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2018 limit CIRSA's per occurrence exposure to \$1,000,000 for property coverage, \$1,000,000 for excess property coverage and provide coverage to specified upper limits. The excess of loss contract for workers' compensation coverage limits CIRSA's per occurrence exposure to \$500,000 for 2019 and provides coverage to statutory limits for the State of Colorado.

The Town's 2019 contributions were \$16,130 and \$5,131 for the property and casualty pool and the workers' compensation pool. The share of surplus at December 31, 2019, amounted to approximately \$11,853 and \$14,295 for the property and casualty pool and the workers' compensation pool, respectively.

Town of Gilcrest, Colorado
Notes to Financial Statements
December 31, 2019

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

11. Taxes, Spending, and Debt Limitations

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

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary of fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$32,306 for this purpose.

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

12. Subsequent Events

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the Town’s operational and financial performance will be affected is also uncertain. Therefore, while the Town expects this matter to negatively impact their business, results of operations and financial position, the related financial impact cannot be reasonably estimated at this time.

The Town evaluated subsequent events through July 28, 2020, the date these financial statements were available to be issued. No transactions or events that would require adjustment to the financial statements or note disclosures were identified.

Required Supplementary Information

Town of Gilcrest, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 351,406	\$ 351,406	\$ 456,226	\$ 104,820
Licenses and permits	12,720	12,720	41,303	28,583
Charges for services	78,990	78,990	111,841	32,851
Fines and forfeitures	35,160	35,160	38,204	3,044
Intergovernmental	191,318	191,318	397,719	206,401
Earnings on investments	10,000	10,000	43,734	33,734
Miscellaneous revenue	58,885	58,885	24,730	(34,155)
Total revenues	738,479	738,479	1,113,757	375,278
Expenditures				
Current:				
General government	214,993	214,993	173,944	41,049
Public safety	136,243	136,243	134,775	1,468
Public works	254,522	254,522	201,946	52,576
Health and welfare	35,350	35,350	53,997	(18,647)
Culture, recreation, and parks	92,566	92,566	85,225	7,341
Capital outlay	162,605	171,511	98,793	72,718
Total expenditures	896,279	905,185	748,680	156,505
Excess (deficiency) of revenues over expenditures	(157,800)	(166,706)	365,077	531,783
Other financing uses				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing uses	(10,000)	(10,000)	(10,000)	-
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (167,800)	\$ (176,706)	355,077	\$ 531,783
Fund balance at beginning of year			839,990	
Fund balance at end of year			\$ 1,195,067	

See accompanying independent auditor's report.

Other Supplementary Information

Town of Gilcrest, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Conservation Trust Fund
Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State lottery funds	\$ 10,000	\$ 10,000	\$ 12,476	\$ 2,476
Earnings on investments	2,000	2,000	3,145	1,145
Total revenues	12,000	12,000	15,621	3,621
Expenditures				
Operating expenses	10,014	10,014	9,925	89
Well augmentation	1,700	1,700	1,569	131
Capital outlay	17,500	17,500	-	17,500
Total expenditures	29,214	29,214	11,494	17,720
Net change in fund balance	\$ (17,214)	\$ (17,214)	4,127	\$ 21,341
Fund balance at beginning of year			43,806	
Fund balance at end of year			\$ 47,933	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Water Fund
Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 228,700	\$ 228,700	\$ 193,983	\$ (34,717)
Operating expenses				
Operations and maintenance	180,248	180,248	119,775	60,473
Administration	59,675	59,675	49,735	9,940
Total operating expenses	239,923	239,923	169,510	70,413
Operating income	(11,223)	(11,223)	24,473	35,696
Other revenues (expenses)				
Grants and contributions	10,000	10,000	-	(10,000)
Property taxes	22,096	22,096	21,023	(1,073)
Earnings on investments	300	300	1,238	938
Transfers in	6,108	6,108	6,108	-
Interest expense	(7,716)	(7,716)	(7,716)	-
Principal paid	(21,658)	(21,658)	(21,658)	-
Capital outlay	-	-	(3,489)	(3,489)
Total other revenues (expenses)	9,130	9,130	(4,494)	(13,624)
Excess (deficiency) of revenues over expenditures	\$ (2,093)	\$ (2,093)	19,979	\$ 22,072
Reconciliation to GAAP basis				
Depreciation			(36,106)	
Capital outlay			3,489	
Principal paid			21,658	
Change in net position - GAAP basis			9,020	
Net position at beginning of year			1,796,680	
Net position at end of year			\$ 1,805,700	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Sewer Fund
Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 243,432	\$ 243,432	\$ 233,158	\$ (10,274)
Operating expenses				
Operations and maintenance	149,109	149,109	140,841	8,268
Administration	58,254	58,254	49,773	8,481
Total operating expenses	207,363	207,363	190,614	16,749
Operating income (loss)	36,069	36,069	42,544	6,475
Other revenues (expenses)				
Grants and contributions	10,000	10,000	-	(10,000)
Earnings on investments	400	400	1,199	799
Principal paid	(42,895)	(42,895)	(42,896)	(1)
Interest expense	(8,444)	(8,444)	(8,444)	-
Capital outlay	-	-	(3,489)	(3,489)
Total other revenues (expenses)	(40,939)	(40,939)	(53,630)	(12,691)
Excess of revenues over expenditures	\$ (4,870)	\$ (4,870)	(11,086)	\$ (6,216)
Reconciliation to GAAP basis				
Depreciation			(106,950)	
Capital outlay			3,489	
Principal paid			42,896	
Change in net position - GAAP basis			(71,651)	
Net position at beginning of year			1,309,108	
Net position at end of year			\$ 1,237,457	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Stormwater Fund
Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 18,800	\$ 18,800	\$ 18,173	\$ (627)
Total revenues	18,800	18,800	18,173	(627)
Expenses				
Public works	27,456	27,456	9,018	18,438
Total expenses	27,456	27,456	9,018	18,438
Operating income	(8,656)	(8,656)	9,155	17,811
Other revenues (expenses)				
Grant income	10,000	10,000	-	(10,000)
Transfers in	10,000	10,000	10,000	-
Transfers out	(6,108)	(6,108)	(6,108)	-
Total other revenues (expenses)	13,892	13,892	3,892	(10,000)
Excess of revenues over expenditures	\$ 5,236	\$ 5,236	13,047	\$ 7,811
Reconciliation to GAAP basis				
Depreciation			(13,024)	
Change in net position - GAAP basis			23	
Net position at beginning of year			712,335	
Net position at end of year			\$ 712,358	

See accompanying independent auditor's report.

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Gilcrest
YEAR ENDING : 12/31/2019	
This Information From The Records Of Town of Gilcrest	Prepared By: Phone: 970-737-2426

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	13,082
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	28,464
2. General fund appropriations	45,000	b. Snow and ice removal	0
3. Other local imposts (from page 2)	61,278	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	28,464
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	654
a. Bonds - Original Issues		6. Total (1 through 5)	42,200
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)	106,278	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	62,851	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	169,129	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)	42,200

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
	152,902	169,129	42,200	279,831	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
12/19

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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	42,583	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	18,695	g. Other Misc. Receipts	
6. Total (1. through 5.)	61,278	h. Other	
c. Total (a. + b.)	61,278	i. Total (a. through h.)	0
	(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	55,520	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	7,331	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	7,331	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	62,851	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			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

Specific Ownership	13,468
County Road & Bridge	5,227
Total Other Local Imposts	18,695