

The Town of Georgetown

P.O. Box 426
Georgetown, Colorado 80444-0426
(303) 569-2555

December 22, 2017

Anna Mauss, P.E.
Colorado Water Conservation Board
1313 Sherman St #718
Denver, CO 80203

RE: Request for Feasibility Study Grant for the Dredging of the Georgetown Reservoir

Dear Ms. Mauss,

Transmitted with the letter is our preliminary application for a CWCB construction grant to dredge Georgetown Reservoir. We have hired Orsatti Water Consultants (Bob Orsatti, P.E.) to perform the required engineering. We request a grant, in a maximum amount of \$32,395.50, to pay for up to 50% of the cost of the Feasibility Study for the project. The study would be in accordance with the CWCB Guidelines, and would follow the format of the Sample CWCB Feasibility Study you have provided us.

The engineering scope of work and cost estimate are attached.

Sincerely,



Alisha Reis
Interim Town Administrator
Town of Georgetown

Encl. Preliminary Reservoir Dredging Construction Grant Application
Orsatti Water Consultants Letter: scope of work and cost estimate



Orsatti Water Consultants

3821 Union Ct.
Wheat Ridge, CO 80033
(720) 458 - 0092

December 22, 2017

Ms. Alisha Reis
Town of Georgetown
404 Sixth Street
Georgetown, CO 80444

Re: Reservoir Dredging Feasibility Study

Dear Ms. Reis:

We have reviewed the reservoir dredging project and have estimated the cost to provide a **Feasibility Study** for the reservoir dredging in accordance with the Colorado Water Conservation Board Guidelines. We propose to conduct the following work for the cost as indicated:

Initial Hydrographic Survey	\$16,775
Land Surveying	\$15,895
Subsurface investigation (Geotechnical).....	\$19,570
Feasibility Study and Application	\$9,343
Report.....	\$3,208
Total.....	\$64,791

The work proposed is intended to provide the information required to submit an application for a loan to the Colorado Water Conservation Board. The CWCB will usually provide a grant to pay for 1/2 of the cost of the study, with a maximum grant amount of \$32,395.50.

Sincerely,

Bob Orsatti, P.E

Encl: Detailed Budget



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

Reservoir Dredging Grant Program

Application Type	
<input type="checkbox"/> Feasibility Study Grant	<input type="checkbox"/> Construction Grant (<i>Feasibility Study required with application</i>)
Agency/Company Information	
Grant Applicant Name:	
Authorized Agent & Title:	
Address:	
Phone: ()	Email:
County:	Federal ID Number:
Water District:	Proposed Storage Volume Recovery _____ acre-feet
Contact Information	
Project Representative:	
Phone: ()	Email:
Engineer:	
Phone: ()	Email:
Project Information	
Project Name:	
Brief Description of Project:	
Provide an attached narrative detailing how the project meets all requirements of <i>Section 6: Application Evaluation Criteria</i> of the <u>CWCB Reservoir Dredging Program Grant Program Guidance</u> . Key elements include project match funding, organizational capability, and a realistic project budget and schedule. If applying for a construction grant, these items can be addressed within the feasibility study.	
General Location: (Attach Map of Area)	
Estimated Engineering Costs:	Estimated Construction Costs:
Other Costs (Describe within narrative):	Estimated Total Project Costs:
Requested Grant Amount:	
Project Start Date(s) Design: _____ Construction: _____	
Signature	
_____ Signature / Title	_____ Date
Return to: CWCB Attn: Finance Section 1313 Sherman St #718 Denver, CO 80203 Ph. 303.866.3441 x3254 e-mail: anna.mauss@state.co.us	

TOWN OF GEORGETOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2016

DRAFT

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FINANCIAL SECTION

DRAFT

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of the Town's proportionate share, and the schedule of the Town's contributions on pages 33 - 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

July 13, 2017

BASIC FINANCIAL STATEMENTS

DRAFT

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2016

	GOVERNMENTAL	BUSINESS	TOTALS	
	ACTIVITIES	TYPE ACTIVITIES	2016	2015
ASSETS				
Cash and Investments	\$ 259,878	\$ 601,488	\$ 861,366	\$ 837,833
Restricted Cash and Investments	-	-	-	1,412
Receivables				
Property Taxes	153,638	-	153,638	155,002
Accounts	12,687	144,508	157,195	117,704
Due From Other Governments	139,615		139,615	116,063
Inventory	-	2,317	2,317	10,677
Prepaid Expenses	-	-	-	19,199
Net Pension Asset	480	-	480	471,193
Capital Assets, Not Depreciated	1,613,863	1,709,719	3,323,582	3,782,971
Capital Assets, Depreciated Net of Accumulated Depreciation	970,361	8,748,228	9,718,589	8,941,620
TOTAL ASSETS	<u>3,150,522</u>	<u>11,206,260</u>	<u>14,356,782</u>	<u>14,453,674</u>
DEFERRED OUTFLOW OF RESOURCES				
Related to Pensions	<u>58,286</u>	<u>-</u>	<u>58,286</u>	<u>27,410</u>
LIABILITIES				
Accounts Payable	35,132	21,048	56,180	36,220
Accrued Salaries and Benefits	18,695	3,838	22,533	9,186
Accrued Interest	-	16,673	16,673	3,952
Noncurrent Liabilities				
Due within One Year	16,274	336,054	352,328	363,608
Due in More Than One Year	217,102	5,254,184	5,471,286	5,938,792
TOTAL LIABILITIES	<u>287,203</u>	<u>5,631,797</u>	<u>5,919,000</u>	<u>6,351,758</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	153,638	-	153,638	155,002
Related to Pensions	<u>7,522</u>	<u>-</u>	<u>7,522</u>	<u>9,306</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>161,160</u>	<u>-</u>	<u>161,160</u>	<u>164,308</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,350,848	4,869,381	7,220,229	6,423,863
Restricted for Capital Improvement	-	-	-	14,415
Restricted for Operating & Maintenance Reserve	-	211,000	211,000	205,000
Restricted for Emergencies	81,000	-	81,000	70,000
Unrestricted	<u>328,597</u>	<u>494,082</u>	<u>822,679</u>	<u>840,743</u>
TOTAL NET POSITION	<u>\$ 2,760,445</u>	<u>\$ 5,574,463</u>	<u>\$ 8,334,908</u>	<u>\$ 7,554,021</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR</u>	<u>OPERATING</u>	<u>CAPITAL</u>
<u>PRIMARY GOVERNMENT</u>		<u>SERVICES</u>	<u>GRANTS AND</u>	<u>GRANTS AND</u>
Governmental Activities			<u>CONTRIBUTIONS</u>	<u>CONTRIBUTIONS</u>
General Government	\$ 358,292	\$ 170,428	\$ 1,725	\$ -
Public Safety	387,541	-	-	-
Public Works	341,915	-	96,445	296,871
Parks and Recreation	103,364	-	5,575	-
Interest on Long-Term Debt	7,080	-	-	-
Total Governmental Activities	1,198,192	170,428	103,745	296,871
Business-Type Activities				
Water and Sewer	1,359,412	1,452,396	-	220,572
Interest on Long-Term Debt	65,763	-	-	-
Total Business-Type Activities	1,425,175	1,452,396	-	220,572
Total Primary Government	\$ 2,623,367	\$ 1,622,824	\$ 103,745	\$ 517,443

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2016	2015
\$ (186,139)	\$ -	\$ (186,139)	\$ (228,044)
(387,541)	-	(387,541)	(286,700)
51,401	-	51,401	(194,560)
(97,789)	-	(97,789)	(22,070)
(7,080)	-	(7,080)	(6,425)
(627,148)	-	(627,148)	(737,799)
-	313,556	313,556	665,225
-	(65,763)	(65,763)	(54,348)
-	247,793	247,793	610,877
(627,148)	247,793	(379,355)	(126,922)
808,376	-	808,376	666,650
154,986	-	154,986	152,567
8,272	-	8,272	8,079
58,385	-	58,385	78,810
33,362	-	33,362	77,211
8,029	-	8,029	7,539
823	-	823	66
49,148	38,864	88,012	38,297
1,121,381	38,864	1,160,245	1,029,219
494,233	286,657	780,890	902,297
2,266,212	5,287,806	7,554,018	6,651,721
<u>\$ 2,760,445</u>	<u>\$ 5,574,463</u>	<u>\$ 8,334,908</u>	<u>\$ 7,554,018</u>

TOWN OF GEORGETOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2016	2015
ASSETS					
Cash and Investments	\$ 126,779	\$ 56,751	\$ 76,348	\$ 259,878	\$ 453,045
Property Taxes Receivable	153,638	-	-	153,638	155,002
Accounts Receivable	2,687	-	10,000	12,687	4,001
Due From Other Governments	106,585	33,030	-	139,615	116,063
Prepaid Expenses	-	-	-	-	19,199
TOTAL ASSETS	\$ 389,689	\$ 89,781	\$ 86,348	\$ 565,818	\$ 747,310
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 30,983	\$ 3,502	\$ 647	\$ 35,132	\$ 22,675
Accrued Salaries and Benefits	18,695	-	-	18,695	6,480
TOTAL LIABILITIES	49,678	3,502	647	53,827	29,155
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	153,638	-	-	153,638	155,002
FUND EQUITY					
Fund Balance					
Nonspendable	-	-	-	-	19,199
Restricted for Emergencies	81,000	-	-	81,000	70,000
Committed	-	86,279	85,701	171,980	293,451
Unassigned	105,373	-	-	105,373	180,503
TOTAL FUND EQUITY	186,373	86,279	85,701	358,353	563,153
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	\$ 389,689	\$ 89,781	\$ 86,348		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,584,224	1,887,132
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These includes net pension asset \$480, Compensated Absences (\$39,115), Lease liabilities (\$194,261), deferred outflows related to pensions \$58,286 and deferred inflows related to pensions (\$7,522).	(182,132)	(184,073)
Net position of governmental activities	<u>\$ 2,760,445</u>	<u>\$ 2,266,212</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	GENERAL FUND	SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2016	2015
REVENUES					
Taxes	\$ 851,393	\$ 173,938	\$ -	\$ 1,025,331	\$ 906,100
Licenses and Permits	80,991	-	-	80,991	66,579
Intergovernmental	138,305	296,871	33,732	468,908	306,125
Charges for Services	-	-	21,812	21,812	23,502
Donations	-	-	1,725	1,725	3,125
Court	67,625	-	-	67,625	14,185
Interest	754	51	18	823	66
Miscellaneous	25,210	-	-	25,210	6,042
TOTAL REVENUES	1,164,278	470,860	57,287	1,692,425	1,325,724
EXPENDITURES					
Current					
General Government	300,584	11,872	18,136	330,592	312,883
Public Safety	373,488	-	-	373,488	298,967
Public Works	512,385	-	-	512,385	210,174
Parks and Recreation	59,691	-	30,000	89,691	43,237
Capital Outlay	-	567,989	-	567,989	304,517
Debt Service					
Principal	-	16,000	-	16,000	7,585
Interest	-	7,080	-	7,080	6,425
TOTAL EXPENDITURES	1,246,148	602,941	48,136	1,897,225	1,183,788
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(81,870)	(132,081)	9,151	(204,800)	141,936
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt		-	-	-	33,950
Transfers Out	(1,459)	-	-	(1,459)	(5,636)
Transfers In	-	-	1,459	1,459	5,636
TOTAL OTHER FINANCING SOURCES (USES)	(1,459)	-	1,459	-	33,950
NET CHANGE IN FUND BALANCE	(83,329)	(132,081)	10,610	(204,800)	175,886
FUND BALANCE, Beginning	269,702	218,360	75,091	563,153	387,267
FUND BALANCE, Ending	\$ 186,373	\$ 86,279	\$ 85,701	\$ 358,353	\$ 563,153

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

TOWN OF GEORGETOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

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

Net Changes in Fund Balances - Total Governmental Funds \$ (204,800)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$773,682, exceeded depreciation expense (\$76,590) for the current period. 697,092

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payment on leases payable \$16,000 and the change in compensated absences (\$6) for the year. 15,994

Deferred charges related to pensions are not recognized in the governmental funds. However, in the government-wide financial statements, these amounts are capitalized and amortized. (14,053)

Change in Net Position of Governmental Activities \$ 494,233

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2016

	WATER FUND	SEWER FUND	TOTALS	
			2016	2015
ASSETS				
Current Assets				
Cash and Investments	\$ 430,655	\$ 170,833	\$ 601,488	\$ 384,788
Restricted Cash and Investments	-	-	-	14,412
Accounts Receivable	75,981	68,527	144,508	113,703
Inventory	2,317	-	2,317	10,677
Prepaid Expenses	-	-	-	-
Total Current Assets	<u>508,953</u>	<u>239,360</u>	<u>748,313</u>	<u>523,580</u>
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	<u>4,945,742</u>	<u>5,512,205</u>	<u>10,457,947</u>	<u>10,837,459</u>
TOTAL ASSETS	<u>5,454,695</u>	<u>5,751,565</u>	<u>11,206,260</u>	<u>11,361,039</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	13,195	7,853	21,048	13,545
Accrued Expenses	1,919	1,919	3,838	2,706
Compensated Absences	4,752	4,752	9,504	10,298
Accrued Interest Payable	1,964	14,709	16,673	3,952
Current Portion of Long Term Debt	108,079	227,975	336,054	347,608
Total Current Liabilities	<u>129,909</u>	<u>257,208</u>	<u>387,117</u>	<u>378,109</u>
Noncurrent Liabilities				
Notes Payable	<u>2,268,330</u>	<u>2,976,350</u>	<u>5,244,680</u>	<u>5,695,124</u>
TOTAL LIABILITIES	<u>2,398,239</u>	<u>3,233,558</u>	<u>5,631,797</u>	<u>6,073,233</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,569,333	2,307,880	4,877,213	4,794,727
Restricted for Capital Improvement	-	-	-	14,412
Restricted for Operation & Maintenance Reserve	107,000	104,000	211,000	205,000
Unreserved	<u>380,123</u>	<u>106,127</u>	<u>486,250</u>	<u>273,667</u>
TOTAL NET POSITION	<u>\$ 3,056,456</u>	<u>\$ 2,518,007</u>	<u>\$ 5,574,463</u>	<u>\$ 5,287,806</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2016

	WATER FUND	SEWER FUND	TOTALS	
			2016	2015
OPERATING REVENUES				
Charges for Services	\$ 833,313	\$ 619,083	\$ 1,452,396	\$ 1,288,782
Other Revenues	6,491	32,373	38,864	32,255
TOTAL OPERATING REVENUES	839,804	651,456	1,491,260	1,321,037
OPERATING EXPENSES				
Salaries and Benefits	214,209	194,888	409,097	395,849
Professional Services	120,678	24,143	144,821	89,607
Repairs and Maintenance	31,936	149,648	181,584	215,190
Administrative and General	74,411	1,566	75,977	77,380
Miscellaneous	915	63,890	64,805	75,906
Depreciation	217,595	265,533	483,128	450,987
TOTAL OPERATING EXPENSES	659,744	699,668	1,359,412	1,304,919
OPERATING INCOME (LOSS)	180,060	(48,212)	131,848	16,118
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	65,431	133,116	198,547	390,399
Interest Expenses	(20,405)	(45,358)	(65,763)	(54,348)
TOTAL NON-OPERATING REVENUES (EXPENSES)	45,026	87,758	132,784	336,051
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	225,086	39,546	264,632	352,169
Capital Contributions	22,025	-	22,025	290,963
NET INCOME	247,111	39,546	286,657	643,132
NET POSITION, Beginning	2,809,345	2,478,461	5,287,806	4,644,674
NET POSITION, Ending	\$ 3,056,456	\$ 2,518,007	\$ 5,574,463	\$ 5,287,806

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE

Year Ended December 31, 2016

Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	TOTALS	
			2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 843,753	\$ 625,062	\$ 1,468,815	\$ 1,291,950
Cash Paid to Suppliers	(222,722)	(236,964)	(459,686)	(658,241)
Cash Paid to Employees	(214,040)	(194,719)	(408,759)	(394,371)
Net Cash Provided by Operating Activities	<u>406,991</u>	<u>193,379</u>	<u>600,370</u>	<u>239,338</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(103,617)	-	(103,617)	(873,659)
Grants	65,431	133,116	198,547	390,399
Proceeds from Issuance of Debt	-	-	-	217,166
Note Payments	(223,251)	(226,023)	(449,274)	(358,850)
Interest Payments	(20,405)	(45,358)	(65,763)	(54,879)
Capital Contributions	22,025	-	22,025	290,963
Net Cash Used by Capital and Related Financing Activities	<u>(259,817)</u>	<u>(138,265)</u>	<u>(398,082)</u>	<u>(388,860)</u>
Net Decrease in Cash and Cash Equivalents	147,174	55,114	202,288	(149,522)
CASH AND CASH EQUIVALENTS, Beginning	<u>283,481</u>	<u>115,719</u>	<u>399,200</u>	<u>548,722</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 430,655</u>	<u>\$ 170,833</u>	<u>\$ 601,488</u>	<u>\$ 399,200</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ 180,060</u>	<u>\$ (48,212)</u>	<u>\$ 131,848</u>	<u>\$ 16,118</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	217,595	265,533	483,128	450,987
Changes in Assets and Liabilities				
Accounts Receivable	(4,411)	(26,394)	(30,805)	(18,410)
Inventories	8,360	-	8,360	(10,677)
Prepaid Expenses	-	-	-	14,254
Accounts Payable	5,218	2,283	7,501	(214,412)
Accrued Expenses	566	566	1,132	1,068
Accrued Compensated Absences	(397)	(397)	(794)	410
Total Adjustments	<u>226,931</u>	<u>241,591</u>	<u>468,522</u>	<u>223,220</u>
Net Cash Provided by Operating Activities	<u>\$ 406,991</u>	<u>\$ 193,379</u>	<u>\$ 600,370</u>	<u>\$ 239,338</u>

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The *Sales Tax Fund* accounts revenues and expenditures allocated for capital projects.

The Town also reports the following major proprietary fund:

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

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

Cash and Investments

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

Capital Assets

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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

Net Position

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

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Town does not have any Nonspendable fixed assets as of December 31, 2016.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Selectman. These amounts cannot be used for any other purpose unless the Board of Selectman removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Equity (Continued)

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

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

Property Taxes

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

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

Comparative Data

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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

Budgets and Budgetary Accounting (Continued)

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

NOTE 3: **DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2016 follows:

Cash Deposits	\$ 546,667
Investments	<u>314,699</u>
Total	<u>\$ 861,366</u>

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

Governmental Activities	\$ 259,878
Business –Type Activities	<u>601,488</u>
Total	<u>\$ 861,366</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2016, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories.

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

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

At December 31, 2016, the Town had deposits with financial institutions with a carrying amount of \$546,667. The bank balances with the financial institutions were \$574,902. Of these balances \$500,000 was covered by federal depository insurance and \$74,902 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

Credit Risk

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

The Town had invested \$63,129 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is considered to be a 2a7 like investments and is valued using the NAV per share (or its equivalent) of the investments. The 2a-7 like investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. The 2a-7 like investments conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds,

Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. The investments will conform to its Permitted Investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool.

The Town had invested \$251,570 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The custodian's internal records identify the investments owned by the entities.

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2016

NOTE 4: **CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2016 is summarized below:

	Balances <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/16</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,068,744	\$ -	\$ -	\$ 1,068,744
Construction in Progress	<u>82,442</u>	<u>462,677</u>	<u>-</u>	<u>545,119</u>
Total Capital Assets, not depreciated	<u>1,151,186</u>	<u>462,677</u>	<u>-</u>	<u>1,613,863</u>
Capital Assets, depreciated				
Buildings and Improvements	331,664	-	-	331,664
Infrastructure	1,902,029	277,255	-	2,179,284
Machinery and Equipment	<u>456,114</u>	<u>33,750</u>	<u>-</u>	<u>489,864</u>
Total Capital Assets, depreciated	<u>2,689,807</u>	<u>311,005</u>	<u>-</u>	<u>3,000,812</u>
Less Accumulated Depreciation				
Buildings and Improvements	200,759	13,673	-	214,432
Infrastructure	1,393,269	35,223	-	1,428,492
Machinery and Equipment	<u>359,833</u>	<u>27,694</u>	<u>-</u>	<u>387,527</u>
Total Accumulated Depreciation	<u>1,953,861</u>	<u>76,590</u>	<u>-</u>	<u>2,030,451</u>
Total Capital Assets, depreciated, Net	<u>735,946</u>	<u>234,415</u>	<u>-</u>	<u>970,361</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,877,132</u>	<u>\$ 697,092</u>	<u>\$ -</u>	<u>\$ 2,584,224</u>

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

Governmental Activities

General Government	\$ 27,694
Public Works	35,223
Parks and Recreation	<u>13,673</u>
Total	<u>\$ 76,590</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/16</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in Progress	<u>2,624,285</u>	<u>1,201</u>	<u>923,267</u>	<u>1,702,219</u>
Total Capital Assets, not depreciated	<u>2,631,785</u>	<u>1,201</u>	<u>923,267</u>	<u>1,709,719</u>
Capital Assets, depreciated				
Buildings and Improvements	6,536,922	-	-	6,536,922
Collection and Distribution	4,469,267	1,025,682	-	5,494,949
Machinery and Equipment	<u>201,125</u>	<u>-</u>	<u>-</u>	<u>201,125</u>
Total Capital Assets, depreciated	<u>11,211,314</u>	<u>1,025,682</u>	<u>-</u>	<u>12,236,996</u>
Less: Accumulated Depreciation				
Buildings and Improvements	1,151,591	253,154	-	1,404,745
Collection and Distribution	1,690,260	224,650	-	1,914,910
Machinery and Equipment	<u>163,789</u>	<u>5,324</u>	<u>-</u>	<u>169,113</u>
Total Accumulated Depreciation	<u>3,005,640</u>	<u>483,128</u>	<u>-</u>	<u>3,488,768</u>
Total Capital Assets, depreciated, Net	<u>8,205,674</u>	<u>542,554</u>	<u>923,267</u>	<u>8,748,228</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 10,837,459</u>	<u>\$ 543,755</u>	<u>\$ 923,267</u>	<u>\$ 10,457,947</u>

NOTE 5: TRANSFERS

During 2016, the General Fund transferred \$1,459 to the Town Promotions Fund to cover operating costs.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2016.

	Balance <u>12/31/15</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/16</u>	Due In <u>One Year</u>
Capital Leases	\$ 210,261	\$ -	\$ 16,000	\$ 194,261	\$ 16,274
Accrued Compensated Absences	<u>39,109</u>	<u>6</u>	<u>-</u>	<u>39,115</u>	<u>-</u>
Totals	<u>\$ 249,370</u>	<u>\$ 6</u>	<u>\$ 16,000</u>	<u>\$ 233,376</u>	<u>\$ 16,274</u>

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

Capital Leases

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

The Town has entered into a capital lease agreement for equipment which will be paid from revenues of the Sales Tax Capital Improvement Fund. The lease requires semi-annual payments of \$4,535 and accrues interest at 2.6%.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2016:

Year Ended December 31,

2017	\$ 23,080
2018	23,080
2019	23,080
2020	14,010
2021	14,010
Thereafter	<u>150,614</u>
Total Minimum Lease Payments	247,874
Less: Interest	<u>(53,613)</u>
Present Value of Minimum Lease Payments	<u>\$ 194,261</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2016.

	Balance <u>12/31/15</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/16</u>	Due In <u>One Year</u>
1999 CWSB Loan	\$ 97,718	\$ -	\$ 7,584	\$ 90,134	\$ 7,982
2002 DOLA Loan	116,079	-	116,079	-	-
2009 CWRPDA Loan, Drinking Water	971,500	-	67,000	904,500	67,000
2009 CWRPDA Loan, Wastewater Facility	2,755,000	-	190,000	2,565,000	190,000
2011 CWRPDA Loan, Drinking Water	605,223	-	32,445	572,778	33,097
2012 CWCB Dam Loan	807,153	1,845	-	808,998	-
2014 Ground Lease	690,059	-	50,734	639,325	37,975
Compensated Absences	<u>10,298</u>	<u>-</u>	<u>795</u>	<u>9,503</u>	<u>-</u>
Total	<u>\$ 6,053,030</u>	<u>\$ 1,845</u>	<u>\$ 463,842</u>	<u>\$ 5,590,238</u>	<u>\$ 336,054</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: LONG-TERM DEBT (Continued)

1999 Colorado Water Conservancy Board (CWSB)

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

2002 Colorado Department of Local Affairs (DOLA)

In September 2002, the Town entered into a loan agreement with the Colorado Department of Local Affairs. Proceeds of the loan were used to fund the Rose Street Waterline Replacement. Principal and interest payments in the amount of \$20,061 are due annually on September 1, through 2022. Interest accrues at 5.00%.

2004 Colorado Department of Local Affairs (DOLA)

In September 2004, the Town entered into a loan agreement with the Colorado Department of Local Affairs. Proceeds of the loan were used to fund the Argentine Street Water and Sewer Lines. Principal and interest payments in the amount of \$8,024 are due annually on September 1, through 2023. Interest accrues at 5.00%.

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: LONG-TERM DEBT (Continued)

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

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

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

In May 2011, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan are used for the Town’s water resource project. Under the terms of the agreement, the Town received a loan totaling \$900,000. The loan carries interest at 2%. Semi-annual principal and interest payments in the amount of \$27,410 are due on May 1 and November 1, beginning in 2012 and ending in 2031. The Town has pledged current Net Revenues to the repayment of this loan.

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

2012 Colorado Water Conservancy Board (CWCB)

In March of 2012, the Town entered into a loan agreement with the Colorado Water Conservancy Board. Proceeds are used to fund the Town’s dam project. No principal or interest payments are due until the project is substantially completed. The original approved loan amount is in the amount of \$2,976,975. As of December 31, 2016, the Town has drawn \$808,998 on the loan.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Estimated annual debt service requirements for the outstanding loans at December 31, 2016 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 298,079	\$ 16,023	\$ 314,102
2018	299,164	14,939	314,102
2019	300,283	13,819	314,102
2020	301,440	12,662	314,102
2021	302,635	11,468	314,102
2022-2026	1,521,104	37,962	1,559,066
2027-2031	<u>1,109,707</u>	<u>11,734</u>	<u>1,121,441</u>
Total Debt Service Requirements	<u>\$ 4,132,412</u>	<u>\$ 118,606</u>	<u>\$ 4,251,018</u>

Capital Leases

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

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2016:

<u>Year Ended December 31,</u>	
2017	\$ 66,970
2018	66,970
2019	66,970
2020	66,970
2021	66,971
Thereafter	<u>535,768</u>
Total Minimum Lease Payments	870,619
Less: Interest	<u>(231,294)</u>
Present Value of Minimum Lease Payments	<u>\$ 639,325</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 16.5 percent in 2015. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014-member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.25 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.25 percent in 2015. Per the 2014-member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2016, the Town reported an asset in the amount of \$480 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2016.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2015 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2015, the Town's proportion was 0.0272%, which was a decrease of 0.015% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016 the Town recognized pension expense of \$14,053. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$3,501	\$ 768
Net difference between projected and actual earnings on pension plan investments	\$19,462	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$14,858	\$ 6,754
Changes in assumptions	\$6,799	N/A
Contributions subsequent to the measurement date	\$13,666	N/A
Total	\$ 58,286	\$ 7,522

\$13,666 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2016.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2017	\$ 7,169
2018	\$ 7,170
2019	\$ 6,239
2020	\$ 6,240
2020	\$ 1,839
Thereafter	\$ 8,441

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment Rate of Return*	7.5%	7.5%
Projected Salary Increases*	4.0%-14.0%	4.0%-14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	3.0%

he RP- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits. At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the roll forward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0%*
Total	100.0%	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment!) to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 67,223	(\$480)	(\$56,637)

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

NOTE 8: DEFINED CONTRIBUTION PLANS

Defined Contribution Plan

The Town offers all employees except for police officers who are covered under FPPA a defined contribution pension plan, which is administered by the Colorado County Officials and Employees Retirement Association (CCOERA). Employee participation is mandatory and commences after one year of employment. Both the Town and employees contribute an amount equal to 3.00% of compensation. During the years ended December 31, 2016 and December 31, 2015, the Town contributions to the plan were \$9,833 and \$9,833, respectively equal to the required contribution.

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 9: **RISK MANAGEMENT**

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

NOTE 10: **COMMITMENTS AND CONTINGENCIES**

Wastewater Service Agreement

During 2011 the Town entered into a wastewater service agreement with the Town of Silver Plume to process Silver Plume's wastewater through the Town's facility. This agreement was intended to replace and supersede the 1986 and 2005 agreements. Under the terms of the agreement, both Towns contribute annually determined amounts to an Operating and Maintenance Reserve, a Capital Reserve and an Emergency Reserve. These funds are held by the Town of Georgetown and require approval by a Joint Water Commission Board prior to expenditure. As of December 31, 2016, these reserves are not fully funded. During 2014, the Town contributed \$36,440 to the Sewer Equipment Reserve and \$36,440 to the Sewer Long Term Capital Reserve. During 2016, the Town of Silver Plume paid the Town of Georgetown \$103,850 for wastewater treatment services under the terms of the contract.

Wastewater Sludge Dewatering System

In September 2009, the Town entered into an intergovernmental agreement with the City of Idaho Springs and the Town of Morrison for the purchase of a wastewater sludge dewatering system. Under the terms of the agreement, the parties agreed to acquire the system and share ownership, use, operation, and maintenance costs equally. In addition, the Town of Morrison has applied and received grant funding to help offset the cost of the purchase of the equipment. The Town's share of the grant funds in the amount of \$67,000 was received during 2010.

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve of \$81,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GEORGETOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2015 ACTUAL
REVENUES					
Taxes	\$ 880,353	\$ 862,759	\$ 851,393	\$ (11,366)	\$ 746,057
Licenses and Permits	49,400	84,094	80,991	(3,103)	66,579
Intergovernmental	174,155	174,155	138,305	(35,850)	179,304
Court	8,150	53,150	67,625	14,475	14,185
Interest	110	110	754	644	30
Miscellaneous	3,000	5,819	25,210	19,391	6,042
TOTAL REVENUES	<u>1,115,168</u>	<u>1,180,087</u>	<u>1,164,278</u>	<u>(15,809)</u>	<u>1,012,197</u>
EXPENDITURES					
Current					
General Government	296,255	265,026	300,584	(35,558)	283,349
Public Safety	342,587	404,347	373,488	30,859	298,967
Public Works	543,972	586,616	512,385	74,231	210,174
Parks and Recreation	58,850	62,669	59,691	2,978	43,237
TOTAL EXPENDITURES	<u>1,241,664</u>	<u>1,318,658</u>	<u>1,246,148</u>	<u>72,510</u>	<u>835,727</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(126,496)</u>	<u>(138,571)</u>	<u>(81,870)</u>	<u>56,701</u>	<u>176,470</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(1,250)	-	(1,459)	(1,459)	(1,636)
Transfers In	-	-	-	-	4,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,250)</u>	<u>-</u>	<u>(1,459)</u>	<u>(1,459)</u>	<u>2,364</u>
NET CHANGE IN FUND BALANCE	<u>(127,746)</u>	<u>(138,571)</u>	<u>(83,329)</u>	<u>55,242</u>	<u>178,834</u>
FUND BALANCE, Beginning	<u>361,076</u>	<u>361,076</u>	<u>269,702</u>	<u>(91,374)</u>	<u>90,868</u>
FUND BALANCE, Ending	<u>\$ 233,330</u>	<u>\$ 222,505</u>	<u>\$ 186,373</u>	<u>\$ (36,132)</u>	<u>\$ 269,702</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Sales Tax	\$ 180,801	\$ 180,801	\$ 173,938	\$ (6,863)	\$ 160,043
Intergovernmental	455,276	463,276	296,871	(166,405)	91,981
Interest	10	10	51	41	31
TOTAL REVENUES	636,087	644,087	470,860	(173,227)	252,055
EXPENDITURES					
Current					
General Government					
Professional Services	6,000	6,000	10,825	(4,825)	8,399
General and Administrative	16,500	24,500	1,047	23,453	4,857
Capital Outlay	628,046	598,046	567,989	30,057	304,517
Debt Service					
Principal	16,000	16,000	16,000	-	7,585
Interest	7,080	7,080	7,080	-	6,425
TOTAL EXPENDITURES	673,626	651,626	602,941	48,685	331,783
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(37,539)	(7,539)	(132,081)	(124,542)	(79,728)
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	-	-	-	-	33,950
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	33,950
NET CHANGE IN FUND BALANCE	(37,539)	(7,539)	(132,081)	(124,542)	(45,778)
FUND BALANCE, Beginning	179,833	179,833	218,360	38,527	264,138
FUND BALANCE, Ending	\$ 142,294	\$ 172,294	\$ 86,279	\$ (86,015)	\$ 218,360

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

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

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.042%	0.042%	0.027%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (37,986)	\$ (47,193)	\$ (480)
Town's covered-employee payroll	\$ 273,302	\$ 188,050	\$ 170,824
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-13.9%	-25.1%	-0.28%
Plan fiduciary net position as a percentage of the total pension liability	105.8%	105.8%	100.1%

Notes:

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

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

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Statutorily required contributions	\$ 14,761	\$ 15,044	\$ 9,396	\$ 11,121
Contributions in relation to the Statutorily required contributions	<u>14,761</u>	<u>15,044</u>	<u>9,396</u>	<u>11,121</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 184,516	\$ 188,050	\$ 117,447	\$ 139,007
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%	8.00%

Notes:

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

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

DRAFT

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 As of December 31, 2016

	CONSERVATION TRUST FUND	TOWN PROMOTION FUND	HISTORIC STRUCTURE PRESERVATION FUND	TOTALS	
				2016	2015
ASSETS					
Current Assets					
Cash and Investments	\$ 9,651	\$ 48,534	\$ 18,163	\$ 76,348	\$ 75,255
Accounts Receivable	-		10,000	10,000	-
TOTAL ASSETS	9,651	48,534	28,163	86,348	75,255
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ -	\$ 647		\$ 647	\$ 164
TOTAL LIABILITIES	-	647		647	164
FUND EQUITY					
Committed	9,651	47,887	28,163	85,701	75,091
TOTAL FUND EQUITY	9,651	47,887	28,163	85,701	75,091
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,651	\$ 48,534	\$ 28,163	\$ 86,348	\$ 75,255

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2016

	CONSERVATION TRUST FUND	TOWN PROMOTION FUND	HISTORIC STRUCTURE PRESERVATION FUND	TOTALS	
				2016	2015
REVENUES					
Intergovernmental	\$ 5,575	\$ -	\$ 28,157	\$ 33,732	\$ 34,840
Charges for Services	-	21,812	-	21,812	23,502
Interest	12	-	6	18	5
Donations	-	1,725	-	1,725	3,125
TOTAL REVENUES	5,587	23,537	28,163	57,287	61,472
EXPENDITURES					
General Government		18,136		18,136	-
Parks and Recreation	30,000	-	-	30,000	16,278
TOTAL EXPENDITURES	30,000	18,136	-	48,136	16,278
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,413)	5,401	28,163	9,151	45,194
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(4,000)
Transfers In	-	1,459	-	1,459	1,636
TOTAL OTHER FINANCING SOURCES (USES)	-	1,459	-	1,459	(2,364)
NET CHANGE IN FUND BALANCE	(24,413)	6,860	28,163	10,610	42,830
FUND BALANCE, Beginning	34,064	41,027	-	75,091	32,261
FUND BALANCE, Ending	\$ 9,651	\$ 47,887	\$ 28,163	\$ 85,701	\$ 75,091

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Lottery Revenues	\$ 5,000	\$ 5,000	\$ 5,575	\$ 575	\$ 4,840
Intergovernmental	-	-	-	-	30,000
Interest	10	10	12	2	5
TOTAL REVENUES	5,010	5,010	5,587	577	34,845
EXPENDITURES					
Parks and Recreation	-	30,000	30,000	-	-
TOTAL EXPENDITURES	-	30,000	30,000	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,010	(24,990)	(24,413)	577	34,845
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(4,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(4,000)
NET CHANGE IN FUND BALANCE	5,010	(24,990)	(24,413)	577	30,845
FUND BALANCE, Beginning	4,394	4,394	34,064	29,670	3,219
FUND BALANCE, Ending	\$ 9,404	\$ (20,596)	\$ 9,651	\$ 30,247	\$ 34,064

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

TOWN PROMOTION FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016		VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 20,229	\$ 21,812	\$ 1,583	\$ 23,502
Donations	3,500	1,725	(1,775)	3,125
TOTAL REVENUES	23,729	23,537	(192)	26,627
EXPENDITURES				
Current				
General Government				
Professional Services	6,236	4,888	1,348	2,509
General and Administrative	22,250	13,248	9,002	13,769
TOTAL EXPENDITURES	28,486	18,136	10,350	16,278
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,757)	5,401	10,158	10,349
OTHER FINANCING SOURCES (USES)				
Transfers In	1,250	1,459	209	1,636
TOTAL OTHER FINANCING SOURCES (USES)	1,250	1,459	209	1,636
NET CHANGE IN FUND BALANCE	(3,507)	6,860	10,367	11,985
FUND BALANCE, Beginning	30,393	41,027	10,634	29,042
FUND BALANCE, Ending	\$ 26,886	\$ 47,887	\$ 21,001	\$ 41,027

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

HISTORIC STRUCTURE PRESERVATION FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)
REVENUES				
Sales Tax Revenues	\$ -	\$ 20,000	\$ 28,157	\$ 8,157
Interest	-	-	6	6
TOTAL REVENUES	-	20,000	28,163	8,163
EXPENDITURES				
General and Administrative	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	20,000	28,163	8,163
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	20,000	28,163	8,163
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ 20,000	\$ 28,163	\$ 8,163

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 754,100	\$ 754,300	\$ 833,313	\$ 79,013	\$ 712,512
Intergovernmental	103,800	209,700	65,431	(144,269)	113,738
Capital Contribution	-	1,100	22,025	20,925	290,963
Other Revenues	5,900	100,000	6,491	(93,509)	26,438
TOTAL REVENUES	863,800	1,065,100	927,260	(137,840)	1,143,651
EXPENDITURES					
Salaries and Benefits	214,662	214,662	214,209	453	208,521
Professional Services	74,400	93,100	120,678	(27,578)	59,691
Repairs and Maintenance	45,250	289,050	27,651	261,399	28,931
Administration and General	74,420	85,420	74,411	11,009	74,955
Miscellaneous	500	500	915	(415)	6,329
Capital Outlay	18,500	15,000	107,902	(92,902)	398,613
Debt Service					
Principal	-	227,167	223,251	3,916	134,109
Interest	-	17,736	20,405	(2,669)	22,118
TOTAL EXPENDITURES	427,732	942,635	789,422	153,213	933,267
NET INCOME, Budget Basis	\$ 436,068	\$ 122,465	137,838	\$ 15,373	210,384
GAAP BASIS ADJUSTMENTS					
Capital Outlay			103,617		374,971
Depreciation			(217,595)		(216,230)
Principal Paid on Long-Term Debt			223,251		134,109
NET INCOME, GAAP Basis			247,111		503,234
NET POSITION, Beginning			2,809,345		2,306,111
NET POSITION, Ending			\$ 3,056,456		\$ 2,809,345

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	2016			VARIANCE Positive (Negative)	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 611,373	\$ 611,373	\$ 619,083	\$ 7,710	\$ 576,270
Intergovernmental	582,884	308,684	133,116	(175,568)	276,661
Other Revenues	5,800	282,000	32,373	(249,627)	5,817
TOTAL REVENUES	1,200,057	1,202,057	784,572	(417,485)	858,748
EXPENDITURES					
Salaries and Benefits	193,744	212,704	194,888	17,816	187,328
Professional Services	30,960	12,350	24,143	(11,793)	29,916
Repairs and Maintenance	112,850	278,500	110,374	168,126	132,960
Administration and General	2,350	168,700	1,811	166,889	2,425
Miscellaneous	77,350	500	63,890	(63,390)	69,577
Capital Outlay	478,500	225,000	39,274	185,726	528,345
Debt Service					
Principal	226,322	226,322	226,023	299	224,741
Interest	30,649	30,649	45,113	(14,464)	32,230
TOTAL EXPENDITURES	1,152,725	1,154,725	705,516	449,209	1,207,522
NET INCOME, Budget Basis	\$ 47,332	\$ 47,332	79,056	\$ 31,724	(348,774)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			-		498,688
Depreciation			(265,533)		(234,757)
Principal Paid on Long-Term Debt			226,023		224,741
NET INCOME, GAAP Basis			39,546		139,898
NET POSITION, Beginning			2,478,461		2,338,563
NET POSITION, Ending			\$ 2,518,007		\$ 2,478,461

See the accompanying independent auditors' report.

COMPLIANCE

TOWN OF GEORGETOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2015

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of the Town's proportionate share, and the schedule of the Town's contributions on pages 33 - 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

John Cutler & Associates, LLC

July 13, 2016

BASIC FINANCIAL STATEMENTS

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2015

	GOVERNMENTAL	BUSINESS	TOTALS	
	ACTIVITIES	TYPE ACTIVITIES	2015	2014
ASSETS				
Cash and Investments	\$ 453,045	\$ 384,788	\$ 837,833	\$ 522,771
Restricted Cash and Investments	-	14,412	14,412	335,369
Receivables				
Property Taxes	155,002	-	155,002	152,345
Accounts	4,001	113,703	117,704	106,498
Due From Other Governments	116,063	-	116,063	83,880
Inventory	-	10,677	10,677	-
Prepaid Expenses	19,199	-	19,199	26,690
Net Pension Asset	47,193	-	47,193	-
Capital Assets, Not Depreciated	1,151,186	2,631,785	3,782,971	2,835,194
Capital Assets, Depreciated Net of Accumulated Depreciation	735,946	8,205,674	8,941,620	9,367,211
TOTAL ASSETS	<u>2,681,635</u>	<u>11,361,039</u>	<u>14,042,674</u>	<u>13,429,958</u>
DEFERRED OUTFLOW OF RESOURCES				
Related to Pensions	<u>27,410</u>	<u>-</u>	<u>27,410</u>	<u>-</u>
LIABILITIES				
Accounts Payable	22,675	13,545	36,220	248,723
Accrued Salaries and Benefits	6,480	2,706	9,186	10,544
Accrued Interest	-	3,952	3,952	4,483
Noncurrent Liabilities				
Due within One Year	16,000	347,608	363,608	359,285
Due in More Than One Year	233,370	5,705,422	5,938,792	6,055,887
TOTAL LIABILITIES	<u>278,525</u>	<u>6,073,233</u>	<u>6,351,758</u>	<u>6,678,922</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	155,002	-	155,002	152,345
Related to Pensions	<u>9,306</u>	<u>-</u>	<u>9,306</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>164,308</u>	<u>-</u>	<u>164,308</u>	<u>152,345</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	1,637,762	4,786,101	6,423,863	5,788,905
Restricted for Capital Improvement	-	14,412	14,412	335,369
Restricted for Operating & Maintenance Reserve	-	205,000	205,000	235,000
Restricted for Emergencies	70,000	-	70,000	62,000
Unrestricted	<u>558,450</u>	<u>282,293</u>	<u>840,743</u>	<u>177,417</u>
TOTAL NET POSITION	<u>\$ 2,266,212</u>	<u>\$ 5,287,806</u>	<u>\$ 7,554,018</u>	<u>\$ 6,598,691</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR</u>	<u>OPERATING</u>	<u>CAPITAL</u>
		<u>SERVICES</u>	<u>GRANTS AND</u>	<u>GRANTS AND</u>
			<u>CONTRIBUTIONS</u>	<u>CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 335,435	\$ 104,266	\$ 3,125	\$ -
Public Safety	286,700	-	-	-
Public Works	381,089	-	94,548	91,981
Parks and Recreation	56,910	-	34,840	-
Interest on Long-Term Debt	6,425	-	-	-
Total Governmental Activities	1,066,559	104,266	132,513	91,981
Business-Type Activities				
Water and Sewer	1,304,919	1,288,782	-	681,362
Interest on Long-Term Debt	54,348	-	-	-
Total Business-Type Activities	1,359,267	1,288,782	-	681,362
Total Primary Government	\$ 2,425,826	\$ 1,393,048	\$ 132,513	\$ 773,343

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning, Restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2015	2014
\$ (228,044)	\$ -	\$ (228,044)	\$ (208,852)
(286,700)	-	(286,700)	(328,641)
(194,560)	-	(194,560)	(222,845)
(22,070)	-	(22,070)	(59,072)
(6,425)	-	(6,425)	(6,688)
(737,799)	-	(737,799)	(826,098)
-	665,225	665,225	307,942
-	(54,348)	(54,348)	(27,113)
-	610,877	610,877	280,829
(737,799)	610,877	(126,922)	(545,269)
666,650	-	666,650	515,657
152,567	-	152,567	153,287
8,079	-	8,079	8,422
78,810	-	78,810	66,340
77,211	-	77,211	73,717
7,539	-	7,539	7,235
66	-	66	84
6,042	32,255	38,297	95,498
996,964	32,255	1,029,219	920,240
259,165	643,132	902,297	374,971
2,007,047	4,644,674	6,651,721	6,223,720
<u>\$ 2,266,212</u>	<u>\$ 5,287,806</u>	<u>\$ 7,554,018</u>	<u>\$ 6,598,691</u>

TOWN OF GEORGETOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2015

	GENERAL	SALES TAX	OTHER	TOTALS	
	FUND	FUND	GOVERNMENTAL FUNDS	2015	2014
ASSETS					
Cash and Investments	\$ 184,919	\$ 192,871	\$ 75,255	\$ 453,045	\$ 309,418
Property Taxes Receivable	155,002		-	155,002	152,345
Accounts Receivable	4,001	-	-	4,001	11,205
Due From Other Governments	89,534	26,529	-	116,063	83,880
Prepaid Expenses	19,199	-	-	19,199	12,436
TOTAL ASSETS	<u>\$ 452,655</u>	<u>\$ 219,400</u>	<u>\$ 75,255</u>	<u>\$ 747,310</u>	<u>\$ 569,284</u>
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 21,471	\$ 1,040	\$ 164	\$ 22,675	\$ 20,766
Accrued Salaries and Benefits	6,480	-	-	6,480	8,906
TOTAL LIABILITIES	<u>27,951</u>	<u>1,040</u>	<u>164</u>	<u>29,155</u>	<u>29,672</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	155,002	-	-	155,002	152,345
FUND EQUITY					
Fund Balance					
Nonspendable	19,199	-	-	19,199	12,436
Restricted for Emergencies	70,000	-	-	70,000	62,000
Committed	-	218,360	75,091	293,451	296,399
Unassigned	180,503	-	-	180,503	16,432
TOTAL FUND EQUITY	<u>269,702</u>	<u>218,360</u>	<u>75,091</u>	<u>563,153</u>	<u>387,267</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	<u>\$ 452,655</u>	<u>\$ 219,400</u>	<u>\$ 75,255</u>		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,887,132	1,787,618
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This liability includes net pension asset \$47,193, Compensated Absences (\$39,109), Lease liabilities (\$210,261), deferred outflows related to pensions \$27,410 and deferred inflows related to pensions (\$9,306).	(184,073)	(220,868)
Net position of governmental activities	<u>\$ 2,266,212</u>	<u>\$ 1,954,017</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	GENERAL	SALES TAX	OTHER	TOTALS	
	FUND	FUND	GOVERNMENTAL	2015	2014
			FUNDS		
REVENUES					
Taxes	\$ 746,057	\$ 160,043	\$ -	\$ 906,100	\$ 743,706
Licenses and Permits	66,579	-	-	66,579	49,149
Intergovernmental	179,304	91,981	34,840	306,125	199,976
Charges for Services	-	-	23,502	23,502	20,261
Donations	-	-	3,125	3,125	3,525
Court	14,185	-	-	14,185	6,945
Interest	30	31	5	66	84
Miscellaneous	6,042	-	-	6,042	38,255
TOTAL REVENUES	1,012,197	252,055	61,472	1,325,724	1,061,901
EXPENDITURES					
Current					
General Government	283,349	13,256	16,278	312,883	266,020
Public Safety	298,967	-	-	298,967	328,641
Public Works	210,174	-	-	210,174	182,761
Parks and Recreation	43,237	-	-	43,237	50,943
Capital Outlay	-	304,517	-	304,517	140,094
Debt Service					
Principal	-	7,585	-	7,585	7,322
Interest	-	6,425	-	6,425	6,688
TOTAL EXPENDITURES	835,727	331,783	16,278	1,183,788	982,469
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	176,470	(79,728)	45,194	141,936	79,432
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt		33,950	-	33,950	-
Transfers Out	(1,636)	-	(4,000)	(5,636)	(4,000)
Transfers In	4,000	-	1,636	5,636	4,000
TOTAL OTHER FINANCING SOURCES (USES)	2,364	33,950	(2,364)	33,950	-
NET CHANGE IN FUND BALANCE	178,834	(45,778)	42,830	175,886	79,432
FUND BALANCE, Beginning	90,868	264,138	32,261	387,267	307,835
FUND BALANCE, Ending	\$ 269,702	\$ 218,360	\$ 75,091	\$ 563,153	\$ 387,267

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

TOWN OF GEORGETOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 175,886
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$159,442, exceeded depreciation expense (\$59,928) for the current period.	99,514
Loan proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities.	(33,950)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payment on leases payable \$7,585 and the change in compensated absences (\$2,137) for the year.	5,448
Deferred charges related to pensions are not recognized in the governmental funds. However, in the government-wide financial statements, these amounts are capitalized and amortized.	<u>12,267</u>
Change in Net Position of Governmental Activities	<u>\$ 259,165</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2015

	WATER FUND	SEWER FUND	TOTALS	
			2015	2014
ASSETS				
Current Assets				
Cash and Investments	\$ 283,481	\$ 101,307	\$ 384,788	\$ 213,353
Restricted Cash and Investments	-	14,412	14,412	335,369
Accounts Receivable	71,570	42,133	113,703	95,293
Inventory	10,677	-	10,677	-
Prepaid Expenses		-	-	14,254
Total Current Assets	<u>365,728</u>	<u>157,852</u>	<u>523,580</u>	<u>658,269</u>
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	<u>5,059,721</u>	<u>5,777,738</u>	<u>10,837,459</u>	<u>10,414,787</u>
TOTAL ASSETS	<u>5,425,449</u>	<u>5,935,590</u>	<u>11,361,039</u>	<u>11,073,056</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	7,977	5,568	13,545	227,957
Accrued Expenses	1,353	1,353	2,706	1,638
Compensated Absences	5,149	5,149	10,298	9,888
Accrued Interest Payable	3,952	-	3,952	4,483
Current Portion of Long Term Debt	<u>121,286</u>	<u>226,322</u>	<u>347,608</u>	<u>351,700</u>
Total Current Liabilities	<u>139,717</u>	<u>238,392</u>	<u>378,109</u>	<u>595,666</u>
Noncurrent Liabilities				
Notes Payable	<u>2,476,387</u>	<u>3,218,737</u>	<u>5,695,124</u>	<u>5,832,716</u>
TOTAL LIABILITIES	<u>2,616,104</u>	<u>3,457,129</u>	<u>6,073,233</u>	<u>6,428,382</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,462,048	2,332,679	4,794,727	4,230,371
Restricted for Capital Improvement	-	14,412	14,412	335,369
Restricted for Operation & Maintenance Reserve	101,000	104,000	205,000	235,000
Unreserved	<u>246,297</u>	<u>27,370</u>	<u>273,667</u>	<u>(156,066)</u>
TOTAL NET POSITION	<u>\$ 2,809,345</u>	<u>\$ 2,478,461</u>	<u>\$ 5,287,806</u>	<u>\$ 4,644,674</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2015

	WATER FUND	SEWER FUND	TOTALS	
			2015	2014
OPERATING REVENUES				
Charges for Services	\$ 712,512	\$ 576,270	\$ 1,288,782	\$ 1,134,681
Other Revenues	26,438	5,817	32,255	57,243
TOTAL OPERATING REVENUES	738,950	582,087	1,321,037	1,191,924
OPERATING EXPENSES				
Salaries and Benefits	208,521	187,328	395,849	373,733
Professional Services	59,691	29,916	89,607	94,738
Repairs and Maintenance	52,573	162,617	215,190	519,397
Administrative and General	74,955	2,425	77,380	157,549
Miscellaneous	6,329	69,577	75,906	3,850
Depreciation	216,230	234,757	450,987	454,611
TOTAL OPERATING EXPENSES	618,299	686,620	1,304,919	1,603,878
OPERATING INCOME (LOSS)	120,651	(104,533)	16,118	(411,954)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	113,738	276,661	390,399	338,581
Interest Expenses	(22,118)	(32,230)	(54,348)	(27,113)
TOTAL NON-OPERATING REVENUES (EXPENSES)	91,620	244,431	336,051	311,468
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	212,271	139,898	352,169	(100,486)
Capital Contributions	290,963	-	290,963	438,558
NET INCOME	503,234	139,898	643,132	338,072
NET POSITION, Beginning	2,306,111	2,338,563	4,644,674	4,306,602
NET POSITION, Ending	\$ 2,809,345	\$ 2,478,461	\$ 5,287,806	\$ 4,644,674

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE

Year Ended December 31, 2015

Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	TOTALS	
			2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 702,855	\$ 589,095	\$ 1,291,950	\$ 1,294,160
Cash Paid to Suppliers	(324,194)	(334,047)	(658,241)	(586,045)
Cash Paid to Employees	(207,782)	(186,589)	(394,371)	(369,526)
Net Cash Provided by Operating Activities	<u>170,879</u>	<u>68,459</u>	<u>239,338</u>	<u>338,589</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(374,971)	(498,688)	(873,659)	(1,537,000)
Grants	113,738	276,661	390,399	338,581
Proceeds from Issuance of Debt	217,166	-	217,166	1,195,721
Note Payments	(134,109)	(224,741)	(358,850)	(314,637)
Interest Payments	(22,649)	(32,230)	(54,879)	(27,550)
Capital Contributions	290,963	-	290,963	438,558
Net Cash Used by Capital and Related Financing Activities	<u>90,138</u>	<u>(478,998)</u>	<u>(388,860)</u>	<u>93,673</u>
Net Decrease in Cash and Cash Equivalents	261,017	(410,539)	(149,522)	432,262
CASH AND CASH EQUIVALENTS, Beginning	<u>22,464</u>	<u>526,258</u>	<u>548,722</u>	<u>116,460</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 283,481</u>	<u>\$ 115,719</u>	<u>\$ 399,200</u>	<u>\$ 548,722</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ 120,651</u>	<u>\$ (104,533)</u>	<u>\$ 16,118</u>	<u>\$ (411,954)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	216,230	234,757	450,987	454,611
Changes in Assets and Liabilities				
Accounts Receivable	(25,418)	7,008	(18,410)	9,505
Inventories	(10,677)	-	(10,677)	92,731
Prepaid Expenses	14,254	-	14,254	(14,254)
Due From Other Governments	-	-	-	10,075
Accounts Payable	(144,900)	(69,512)	(214,412)	203,743
Due to Other Funds	-	-	-	(10,075)
Accrued Expenses	534	534	1,068	393
Accrued Compensated Absences	205	205	410	3,814
Total Adjustments	<u>50,228</u>	<u>172,992</u>	<u>223,220</u>	<u>750,543</u>
Net Cash Provided by Operating Activities	<u>\$ 170,879</u>	<u>\$ 68,459</u>	<u>\$ 239,338</u>	<u>\$ 338,589</u>

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The *Sales Tax Fund* accounts revenues and expenditures allocated for capital projects.

The Town also reports the following major proprietary fund:

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

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

Cash and Investments

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

Capital Assets

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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

Net Position

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Equity (Continued)

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

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

Property Taxes

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

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

Comparative Data

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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

Budgets and Budgetary Accounting (Continued)

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

NOTE 3: **DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2015 follows:

Cash Deposits	\$ 819,269
Investments	<u>32,976</u>
Total	<u>\$ 852,245</u>

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

Governmental Activities	\$ 453,045
Business –Type Activities	384,788
Business-Type Activities - Restricted	<u>14,412</u>
Total	<u>\$ 852,245</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2015, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories.

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

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

At December 31, 2015, the Town had deposits with financial institutions with a carrying amount of \$819,269. The bank balances with the financial institutions were \$853,564. Of these balances \$265,687 was covered by federal depository insurance and \$587,877 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

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

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

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

The Town had invested \$32,976 in the Colorado Government Liquid Asset Trust and the Colorado Surplus Asset Fund Trust (COLOTRUST and CSAFE); investment vehicles established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated and CSAFE are rated AAAM by Standard and Poor's.

Restricted Cash

Cash in the amount of \$14,412 is restricted in the Sewer Fund for wastewater capital improvement projects.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2015 is summarized below:

	Balances <u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/15</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,056,744	\$ 12,000	\$ -	\$ 1,068,744
Construction in Progress	<u>-</u>	<u>82,442</u>	<u>-</u>	<u>82,442</u>
Total Capital Assets, not depreciated	<u>1,056,744</u>	<u>94,442</u>	<u>-</u>	<u>1,151,186</u>
Capital Assets, depreciated				
Buildings and Improvements	331,664	-	-	331,664
Infrastructure	1,902,029	-	-	1,902,029
Machinery and Equipment	<u>391,114</u>	<u>65,000</u>	<u>-</u>	<u>456,114</u>
Total Capital Assets, depreciated	<u>2,624,807</u>	<u>65,000</u>	<u>-</u>	<u>2,689,807</u>
Less Accumulated Depreciation				
Buildings and Improvements	187,086	13,673	-	200,759
Infrastructure	1,367,429	25,840	-	1,393,269
Machinery and Equipment	<u>339,418</u>	<u>20,415</u>	<u>-</u>	<u>359,833</u>
Total Accumulated Depreciation	<u>1,893,933</u>	<u>59,928</u>	<u>-</u>	<u>1,953,861</u>
Total Capital Assets, depreciated, Net	<u>730,874</u>	<u>5,072</u>	<u>-</u>	<u>735,946</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,787,618</u>	<u>\$ 99,514</u>	<u>\$ -</u>	<u>\$ 1,887,132</u>

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

Governmental Activities	
General Government	\$ 20,415
Public Works	25,840
Parks and Recreation	<u>13,673</u>
Total	<u>\$ 59,928</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/15</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in Progress	<u>1,770,950</u>	<u>853,335</u>	<u>-</u>	<u>2,624,285</u>
Total Capital Assets, not depreciated	<u>1,778,450</u>	<u>853,335</u>	<u>-</u>	<u>2,631,785</u>
Capital Assets, depreciated				
Buildings and Improvements	6,536,922	-	-	6,536,922
Collection and Distribution	4,469,267	-	-	4,469,267
Machinery and Equipment	<u>184,801</u>	<u>20,324</u>	<u>-</u>	<u>205,125</u>
Total Capital Assets, depreciated	<u>11,190,990</u>	<u>20,324</u>	<u>-</u>	<u>11,211,314</u>
Less: Accumulated Depreciation				
Buildings and Improvements	929,936	221,655	-	1,151,591
Collection and Distribution	1,466,252	224,008	-	1,690,260
Machinery and Equipment	<u>158,465</u>	<u>5,324</u>	<u>-</u>	<u>163,789</u>
Total Accumulated Depreciation	<u>2,554,653</u>	<u>450,987</u>	<u>-</u>	<u>3,005,640</u>
Total Capital Assets, depreciated, Net	<u>8,636,337</u>	<u>(430,663)</u>	<u>-</u>	<u>8,205,674</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 10,414,787</u>	<u>\$ 422,672</u>	<u>\$ -</u>	<u>\$ 10,837,459</u>

NOTE 5: TRANSFERS

During 2015, the Conservation Trust Fund transferred \$4,000 to the General Fund to cover costs of maintaining the Town's parks and recreation areas and the General Fund transferred \$1,636 to the Town Promotions Fund to cover operating costs.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 6: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2015.

	Balance <u>12/31/14</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/15</u>	Due In <u>One Year</u>
Capital Leases	\$ 183,896	\$ 33,950	\$ 7,585	\$ 210,261	\$ 16,000
Accrued Compensated Absences	<u>36,972</u>	<u>2,137</u>	<u>-</u>	<u>39,109</u>	<u>-</u>
Totals	<u>\$ 220,868</u>	<u>\$ 36,087</u>	<u>\$ 7,585</u>	<u>\$ 249,370</u>	<u>\$ 16,000</u>

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

Capital Leases

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

The Town has entered into a capital lease agreement for equipment which will be paid from revenues of the Sales Tax Capital Improvement Fund. The lease requires semi-annual payments of \$4,535 and accrues interest at 2.6%.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 6: LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2015:

Year Ended December 31,

2016	\$ 23,080
2017	23,080
2018	23,080
2019	23,080
2020	14,010
Thereafter	<u>164,624</u>
Total Minimum Lease Payments	270,954
Less: Interest	<u>(60,693)</u>
Present Value of Minimum Lease Payments	<u>\$ 210,261</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2015.

	Balance <u>12/31/14</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/15</u>	Due In <u>One Year</u>
1999 CWSB Loan	\$ 107,463	\$ -	\$ 9,745	\$ 97,718	\$ 7,584
2002 DOLA Loan	129,709	-	13,630	116,079	14,257
2004 DOLA Loan	11,927	-	11,927	-	-
2009 CWRPDA Loan, Drinking Water	1,038,500	-	67,000	971,500	67,000
2009 CWRPDA Loan, Wastewater Facility	2,945,000	-	190,000	2,755,000	190,000
2011 CWRPDA Loan, Drinking Water	637,030	-	31,807	605,223	32,445
2012 CWCB Dam Loan	589,987	217,166	-	807,153	-
2014 Ground Lease	724,800	-	34,741	690,059	36,322
Compensated Absences	<u>9,888</u>	<u>410</u>	<u>-</u>	<u>10,298</u>	<u>-</u>
Total	<u>\$ 6,194,304</u>	<u>\$ 217,576</u>	<u>\$ 358,850</u>	<u>\$ 6,053,030</u>	<u>\$ 347,608</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 6: LONG-TERM DEBT (Continued)

1999 Colorado Water Conservancy Board (CWSB)

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

2002 Colorado Department of Local Affairs (DOLA)

In September 2002, the Town entered into a loan agreement with the Colorado Department of Local Affairs. Proceeds of the loan were used to fund the Rose Street Waterline Replacement. Principal and interest payments in the amount of \$20,061 are due annually on September 1, through 2022. Interest accrues at 5.00%.

2004 Colorado Department of Local Affairs (DOLA)

In September, 2004, the Town entered into a loan agreement with the Colorado Department of Local Affairs. Proceeds of the loan were used to fund the Argentine Street Water and Sewer Lines. Principal and interest payments in the amount of \$8,024 are due annually on September 1, through 2023. Interest accrues at 5.00%.

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

In September 2009, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan/grant are used to improve the Town’s water treatment facility and the West Water Tank. Under the terms of the agreement, the Town received a combination of loan and grant funds totaling \$3,340,000. \$2,000,000 of the proceeds were forgiven at loan closing and do not require repayment by the Town. The loan carries no interest. Semi- annual principal payments in the amount of \$33,500 are due on November 1, and May 1, beginning in 2010 and ending in 2030. The loan requires the Town keep an operations and maintenance reserve in the amount of at least 25% of budgeted operations and maintenance expenditures. The Town is in compliance with this requirement. The loan also has a rate covenant requirement that states that gross revenues must cover one year’s estimated operating and maintenance expense plus 110% of the year’s anticipated debt service payments. The Water Fund appears to be in compliance with this covenant requirement.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 6: LONG-TERM DEBT (Continued)

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

In September 2009, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan/grant are used to improve the Town’s wastewater treatment facility. Under the terms of the agreement, the Town received a combination of loan and grant funds totaling \$5,800,000. \$2,000,000 of the proceeds were forgiven at loan closing and do not require repayment by the Town. At December 31, 2011, loan proceeds in the amount of \$3,131,003 were drawn by the town. The loan carries no interest. Semi- annual principal payments in the amount of \$95,000 are due on November 1, and May 1, beginning in 2010 and ending in 2030. The loan requires the Town keep an operations and maintenance reserve in the amount of at least 25% of budgeted operations and maintenance expenditures. The Town is in compliance with this requirement. The loan also has a rate covenant requirement that states that gross revenues must cover one year’s estimated operating and maintenance expense plus 110% of the year’s anticipated debt service payments. The Sewer Fund may not be in compliance with this covenant requirement.

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

In May 2011, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan are used for the Town’s water resource project. Under the terms of the agreement, the Town received a loan totaling \$900,000. The loan carries interest at 2%. Semi-annual principal and interest payments in the amount of \$27,410 are due on May 1 and November 1, beginning in 2012 and ending in 2031. The Town has pledged current Net Revenues to the repayment of this loan.

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

2012 Colorado Water Conservancy Board (CWCB)

In March of 2012, the Town entered into a loan agreement with the Colorado Water Conservancy Board. Proceeds are used to fund the Town’s dam project. No principal or interest payments are due until the project is substantially completed. The original approved loan amount is in the amount of \$2,976,975. As of December 31, 2015 the Town has drawn \$807,153 on the loan.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 6: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Estimated annual debt service requirements for the outstanding loans at December 31, 2015 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 311,286	\$ 22,877	\$ 334,163
2017	313,049	21,114	334,163
2018	314,882	19,281	334,163
2019	316,787	17,376	334,163
2020	318,769	15,394	334,163
2021-2025	1,563,245	47,388	1,610,633
2026-2030	1,363,772	15,939	1,379,711
2031-2032	<u>850,883</u>	<u>657</u>	<u>851,540</u>
Total Debt Service Requirements	<u>\$ 5,352,673</u>	<u>\$ 160,026</u>	<u>\$ 5,512,699</u>

Capital Leases

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

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2015:

<u>Year Ended December 31,</u>	
2016	\$ 66,970
2017	66,970
2018	66,970
2019	66,970
2020	66,970
Thereafter	<u>602,739</u>
Total Minimum Lease Payments	937,589
Less: Interest	<u>(247,530)</u>
Present Value of Minimum Lease Payments	<u>\$ 690,059</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 7: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

Alternatively, a member with a least five years of accredited service may leave contributions with the SWDP Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB Plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approve by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2015 the Town reported an asset in the amount of \$47,193 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2015.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2014 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2014, the Town's proportion was 0.04182%, which was a decrease of 0.00066% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015 the Town recognized pension expense of \$11,422. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$ 972
Net difference between projected and actual earnings on pension plan investments	\$ 3,721	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$ 8,334
Contributions subsequent to the measurement date	\$ 23,689	N/A
Total	\$ 27,410	\$ 9,306

\$23,689 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2016	\$ 45
2017	\$ 45
2018	\$ 45
2019	\$ 44
Thereafter	\$ 5,406

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Salary increases, including wage inflation	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table, with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
Global Equity	40.0%	8.9%
Equity Long/Short	10.0%	7.5%
Illiquid Alternatives	18.0%	10.5%
Fixed Income	15.0%	4.6%
Absolute Return	12.0%	6.5%
Managed Futures	4.0%	5.5%
Cash	1.0%	2.5%
Total	100.0%	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment!) to determine the total pension liability.

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is +97.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 44,494	(\$47,193)	(\$123,672)

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

NOTE 8: DEFINED CONTRIBUTION PLANS

Defined Contribution Plan

The Town offers all employees except for police officers who are covered under FPPA a defined contribution pension plan, which is administered by the Colorado County Officials and Employees Retirement Association (CCOERA). Employee participation is mandatory and commences after one year of employment. Both the Town and employees contribute an amount equal to 3.00% of compensation. During the years ended December 31, 2015 and December 31, 2014, the Town contributions to the plan were \$11,084 and \$9,833, respectively equal to the required contribution.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: DEFINED CONTRIBUTION PLANS (Continued)

Deferred Compensation Plan

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

NOTE 9: RISK MANAGEMENT

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

NOTE 10: COMMITMENTS AND CONTINGENCIES

Wastewater Service Agreement

During 2011 the Town entered into a wastewater service agreement with the Town of Silver Plume to process Silver Plume's wastewater through the Town's facility. This agreement was intended to replace and supersede the 1986 and 2005 agreements. Under the terms of the agreement, both Towns contribute annually determined amounts to an Operating and Maintenance Reserve, a Capital Reserve and an Emergency Reserve. These funds are held by the Town of Georgetown and require approval by a Joint Water Commission Board prior to expenditure. As of December 31, 2015, these reserves are not fully funded. During 2014, the Town contributed \$36,440 to the Sewer Equipment Reserve and \$36,440 to the Sewer Long Term Capital Reserve. During 2015, the Town of Silver Plume paid the Town of Georgetown \$79,702 for wastewater treatment services under the terms of the contract.

Wastewater Sludge Dewatering System

In September, 2009, the Town entered into an intergovernmental agreement with the City of Idaho Springs and the Town of Morrison for the purchase of a wastewater sludge dewatering system. Under the terms of the agreement, the parties agreed to acquire the system and share ownership, use, operation, and maintenance costs equally. In addition, the Town of Morrison has applied and received grant funding to help offset the cost of the purchase of the equipment. The Town's share of the grant funds in the amount of \$67,000 was received during 2010. During the year ended December 31, 2015, the Town substantially completed the installation of a stationary biosolids dewatering unit to replace the wastewater sludge dewatering system. Although the Town still owns a share of this system, it is no longer using it.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 10: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2015, the emergency reserve of \$70,000 was recorded in the General Fund.

NOTE 11: RESTATEMENT OF NET POSITION

The Beginning Net Position of the Government Type Activities was increased by \$53,030 to \$2,007,047 as the Town implemented Governmental Accounting Standards Board Statement (GASB) No. 68.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GEORGETOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2015

	2015			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2014 ACTUAL
REVENUES					
Taxes	\$ 629,904	\$ 634,544	\$ 746,057	\$ 111,513	\$ 598,378
Licenses and Permits	42,000	52,000	66,579	14,579	49,149
Intergovernmental	154,663	154,663	179,304	24,641	188,942
Court	6,725	6,725	14,185	7,460	6,945
Interest	60	60	30	(30)	84
Miscellaneous	2,840	3,200	6,042	2,842	22,455
TOTAL REVENUES	836,192	851,192	1,012,197	161,005	865,953
EXPENDITURES					
Current					
General Government	298,739	308,739	283,349	25,390	233,960
Public Safety	337,529	337,529	298,967	38,562	328,641
Public Works	202,433	207,073	210,174	(3,101)	182,761
Parks and Recreation	44,476	45,019	43,237	1,782	50,943
TOTAL EXPENDITURES	883,177	898,360	835,727	62,633	796,305
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(46,985)	(47,168)	176,470	223,638	69,648
OTHER FINANCING SOURCES (USES)					
Transfers Out	(1,300)	-	(1,636)	(1,636)	-
Transfers In	4,000	4,000	4,000	-	4,000
TOTAL OTHER FINANCING SOURCES (USES)	2,700	4,000	2,364	(1,636)	4,000
NET CHANGE IN FUND BALANCE	(44,285)	(43,168)	178,834	222,002	73,648
FUND BALANCE, Beginning	120,390	120,390	90,868	(29,522)	17,220
FUND BALANCE, Ending	\$ 76,105	\$ 77,222	\$ 269,702	\$ 192,480	\$ 90,868

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2015

	2015			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2014 ACTUAL
REVENUES					
Sales Tax	\$ 155,150	\$ 160,325	\$ 160,043	\$ (282)	\$ 145,328
Intergovernmental	-	162,172	91,981	(70,191)	6,199
Miscellaneous	-	-	-	-	15,800
Interest	10	10	31	21	-
TOTAL REVENUES	155,160	322,507	252,055	(70,452)	167,327
EXPENDITURES					
Current					
General Government					
Professional Services	4,500	4,500	8,399	(3,899)	6,618
General and Administrative	10,000	10,000	4,857	5,143	-
Capital Outlay	191,000	392,298	304,517	87,781	140,094
Debt Service					
Principal	7,586	7,586	7,585	1	7,322
Interest	6,426	6,425	6,425	-	6,688
TOTAL EXPENDITURES	219,512	420,809	331,783	89,026	160,722
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(64,352)	(98,302)	(79,728)	18,574	6,605
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	-	33,950	33,950	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	33,950	33,950	-	-
NET CHANGE IN FUND BALANCE	(64,352)	(64,352)	(45,778)	18,574	6,605
FUND BALANCE, Beginning	244,185	244,185	264,138	19,953	257,533
FUND BALANCE, Ending	\$ 179,833	\$ 179,833	\$ 218,360	\$ 38,527	\$ 264,138

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

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

Years Ended December 31,

	2013	2014
Town's proportionate share of the Net Pension Liability (Asset)	0.042%	0.042%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (37,986)	\$ (47,193)
Town's covered-employee payroll	\$ 184,516	\$ 188,050
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-20.6%	-25.1%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%

Notes:

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

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

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Statutorily required contributions	\$ 14,761	\$ 15,044	\$ 9,396
Contributions in relation to the Statutorily required contributions	<u>14,761</u>	<u>15,044</u>	<u>9,396</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 184,516	\$ 188,050	\$ 117,447
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

Notes:

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

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2015

	CONSERVATION TRUST FUND	TOWN PROMOTION FUND	TOTALS	
			2015	2014
ASSETS				
Cash and Investments	\$ 34,064	\$ 41,191	\$ 75,255	\$ 32,467
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 164	\$ 164	\$ 206
TOTAL LIABILITIES	-	164	164	206
FUND EQUITY				
Committed	34,064	41,027	75,091	32,261
TOTAL FUND EQUITY	34,064	41,027	75,091	32,261
TOTAL LIABILITIES AND FUND EQUITY	\$ 34,064	\$ 41,191	\$ 75,255	\$ 32,467

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2015

	CONSERVATION TRUST FUND	TOWN PROMOTION FUND	TOTALS	
			2015	2014
REVENUES				
Intergovernmental	\$ 34,840	\$ -	\$ 34,840	\$ 4,835
Charges for Services	-	23,502	23,502	20,261
Interest	5	-	5	-
Donations	-	3,125	3,125	3,525
TOTAL REVENUES	34,845	26,627	61,472	28,621
EXPENDITURES				
General Government	-	16,278	16,278	25,442
TOTAL EXPENDITURES	-	16,278	16,278	25,442
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	34,845	10,349	45,194	3,179
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,000)	-	(4,000)	(4,000)
Transfers In	-	1,636	1,636	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,000)	1,636	(2,364)	(4,000)
NET CHANGE IN FUND BALANCE	30,845	11,985	42,830	(821)
FUND BALANCE, Beginning	3,219	29,042	32,261	33,082
FUND BALANCE, Ending	\$ 34,064	\$ 41,027	\$ 75,091	\$ 32,261

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2015

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2014 ACTUAL
REVENUES				
Lottery Revenues	\$ 5,000	\$ 4,840	\$ (160)	\$ 4,835
Intergovernmental	-	30,000	30,000	-
Interest	10	5	(5)	-
TOTAL REVENUES	5,010	34,845	29,835	4,835
EXPENDITURES				
Parks and Recreation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,010	34,845	29,835	4,835
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,000)	(4,000)	-	(4,000)
TOTAL OTHER FINANCING SOURCES (USES)	(4,000)	(4,000)	-	(4,000)
NET CHANGE IN FUND BALANCE	1,010	30,845	29,835	835
FUND BALANCE, Beginning	3,384	3,219	(165)	2,384
FUND BALANCE, Ending	\$ 4,394	\$ 34,064	\$ 29,670	\$ 3,219

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

TOWN PROMOTION FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2015

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2014 ACTUAL
REVENUES				
Charges for Services	\$ 19,993	\$ 23,502	\$ 3,509	\$ 20,261
Donations	3,000	3,125	125	3,525
TOTAL REVENUES	22,993	26,627	3,634	23,786
EXPENDITURES				
Current				
General Government				
Professional Services	7,736	2,509	5,227	4,235
General and Administrative	23,750	13,769	9,981	21,207
TOTAL EXPENDITURES	31,486	16,278	15,208	25,442
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,493)	10,349	18,842	(1,656)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,300	1,636	336	-
TOTAL OTHER FINANCING SOURCES (USES)	1,300	1,636	336	-
NET CHANGE IN FUND BALANCE	(7,193)	11,985	19,178	(1,656)
FUND BALANCE, Beginning	30,393	29,042	(1,351)	30,698
FUND BALANCE, Ending	\$ 23,200	\$ 41,027	\$ 17,827	\$ 29,042

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2015

	2015			VARIANCE Positive (Negative)	2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 592,600	\$ 592,600	\$ 712,512	\$ 119,912	\$ 600,489
Intergovernmental	192,800	293,789	113,738	(180,051)	243,116
Capital Contribution	-	322,289	290,963	(31,326)	438,558
Other Revenues	97,900	309,900	26,438	(283,462)	505,788
TOTAL REVENUES	883,300	1,518,578	1,143,651	(374,927)	1,787,951
EXPENDITURES					
Salaries and Benefits	207,828	207,828	208,521	(693)	177,972
Professional Services	78,520	82,520	59,691	22,829	87,736
Repairs and Maintenance	38,500	38,500	28,931	9,569	323,989
Administration and General	72,350	72,350	74,955	(2,605)	70,179
Miscellaneous	400	400	6,329	(5,929)	3,469
Capital Outlay	258,500	893,778	398,613	495,165	1,170,264
Debt Service					
Principal	126,603	126,603	134,109	(7,506)	124,637
Interest	22,586	22,586	22,118	468	27,113
TOTAL EXPENDITURES	805,287	1,444,565	933,267	511,298	1,985,359
NET INCOME, Budget Basis	\$ 78,013	\$ 74,013	210,384	\$ 136,371	(197,408)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			374,971		1,112,421
Depreciation			(216,230)		(217,035)
Proceeds from Issuance of Debt			-		(470,921)
Principal Paid on Long-Term Debt			134,109		124,637
NET INCOME, GAAP Basis			503,234		351,694
NET POSITION, Beginning			2,306,111		1,954,417
NET POSITION, Ending			\$ 2,809,345		\$ 2,306,111

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2015

	2015			VARIANCE Positive (Negative)	2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 548,691	\$ 548,691	\$ 576,270	\$ 27,579	\$ 534,192
Intergovernmental	190,363	290,363	276,661	(13,702)	95,465
Other Revenues	398,000	516,800	5,817	(510,983)	747,176
TOTAL REVENUES	1,137,054	1,355,854	858,748	(497,106)	1,376,833
EXPENDITURES					
Salaries and Benefits	186,803	186,803	187,328	(525)	195,761
Professional Services	32,810	32,810	29,916	2,894	7,002
Repairs and Maintenance	96,750	116,750	132,960	(16,210)	121,450
Administration and General	1,850	1,850	2,425	(575)	87,370
Miscellaneous	74,650	74,650	69,577	5,073	381
Capital Outlay	424,000	642,800	528,345	114,455	440,694
Debt Service					
Principal	224,741	224,741	224,741	-	190,000
Interest	32,230	32,230	32,230	-	-
TOTAL EXPENDITURES	1,073,834	1,312,634	1,207,522	105,112	1,042,658
NET INCOME, Budget Basis	\$ 63,220	\$ 43,220	(348,774)	\$ (391,994)	334,175
GAAP BASIS ADJUSTMENTS					
Capital Outlay			498,688		424,579
Depreciation			(234,757)		(237,576)
Proceeds from Issuance of Debt			-		(724,800)
Principal Paid on Long-Term Debt			224,741		190,000
NET INCOME, GAAP Basis			139,898		(13,622)
NET POSITION, Beginning			2,338,563		2,352,185
NET POSITION, Ending			\$ 2,478,461		\$ 2,338,563

See the accompanying independent auditors' report.

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Georgetown
		YEAR ENDING : December 2015
This Information From The Records Of (example - City of _ or County of Town of Georgetown)	Prepared By: Phone:	Mary Sims 3035692555.04

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)	155,381
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	10,234
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	12,753
2. General fund appropriations	81,032	b. Snow and ice removal	6,028
3. Other local imposts (from page 2)	256,876	c. Other	
4. Miscellaneous local receipts (from page 2)	13,890	d. Total (a. through c.)	18,781
5. Transfers from toll facilities		4. General administration & miscellaneous	129,141
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	91,604
a. Bonds - Original Issues		6. Total (1 through 5)	405,141
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)	351,798	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	53,343	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	405,141	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)	405,141

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
		405,141	405,141		0

Notes and Comments:

unaudited figures

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2015	
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	46,654	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	13,890
1. Sales Taxes	202,143	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	8,079	g. Other Misc. Receipts	
6. Total (1. through 5.)	210,222	h. Other	
c. Total (a. + b.)	256,876	i. Total (a. through h.)	13,890
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	47,894	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	5,449	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.)	5,449	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	53,343	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		15,563	15,563
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		135,807	135,807
(4). System Enhancement & Operation		4,011	4,011
(5). Total Construction (1) + (2) + (3) + (4)	0	139,818	139,818
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	155,381	155,381
			(Carry forward to page 1)
Notes and Comments:			
unaudited figures			

TOWN OF GEORGETOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2014

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Georgetown, Colorado, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 27–28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

Information from Prior Year Audit

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Town of Georgetown's basic financial statements for the year ended December 31, 2013, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Georgetown's basic financial statements as a whole. The amounts in the government-wide, fund financial statements, required supplementary information and the combining and individual fund schedules for the year ended December 30, 2013, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2013 amounts in the government-wide, fund financial statements, required supplementary information and the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

John Cutler & Associates, LLC

July 24, 2015

BASIC FINANCIAL STATEMENTS

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2014

	GOVERNMENTAL	BUSINESS	TOTALS	
	ACTIVITIES	TYPE ACTIVITIES	2014	2013
ASSETS				
Cash and Investments	\$ 309,418	\$ 213,353	\$ 522,771	\$ 228,177
Restricted Cash and Investments	-	335,369	335,369	116,460
Receivables				
Property Taxes	152,345	-	152,345	157,769
Accounts	11,205	95,293	106,498	110,964
Due From Other Governments	83,880	-	83,880	86,596
Inventory	-	-	-	92,731
Prepaid Expenses	12,436	14,254	26,690	6,590
Capital Assets, Not Depreciated	1,056,744	1,778,450	2,835,194	1,298,194
Capital Assets, Depreciated Net of Accumulated Depreciation	730,874	8,636,337	9,367,211	9,869,336
TOTAL ASSETS	2,356,902	11,073,056	13,429,958	11,966,817
LIABILITIES				
Accounts Payable	20,766	227,957	248,723	37,989
Accrued Salaries and Benefits	8,906	1,638	10,544	7,164
Accrued Interest	-	4,483	4,483	4,920
Noncurrent Liabilities				
Due within One Year	7,585	351,700	359,285	321,959
Due in More Than One Year	213,283	5,842,604	6,055,887	5,213,296
TOTAL LIABILITIES	250,540	6,428,382	6,678,922	5,585,328
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	152,345	-	152,345	157,769
NET POSITION				
Invested in Capital Assets, Net of Related Debt	1,566,750	4,222,155	5,788,905	5,633,947
Restricted for Capital Improvement	-	335,369	335,369	116,460
Restricted for Operating & Maintenance Reserve	-	235,000	235,000	208,000
Restricted for Emergencies	62,000	-	62,000	61,000
Unrestricted	325,267	(147,850)	177,417	204,313
TOTAL NET POSITION	\$ 1,954,017	\$ 4,644,674	\$ 6,598,691	\$ 6,223,720

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 288,732	\$ 76,355	\$ 3,525	\$ -
Public Safety	328,641	-	-	-
Public Works	337,034	-	6,199	107,990
Parks and Recreation	63,907	-	4,835	-
Interest on Long-Term Debt	6,688	-	-	-
Total Governmental Activities	1,025,002	76,355	14,559	107,990
Business-Type Activities				
Water and Sewer	1,603,878	1,134,681	-	777,139
Interest on Long-Term Debt	27,113	-	-	-
Total Business-Type Activities	1,630,991	1,134,681	-	777,139
Total Primary Government	\$ 2,655,993	\$ 1,211,036	\$ 14,559	\$ 885,129

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2014	2013
\$ (208,852)	\$ -	\$ (208,852)	\$ (260,618)
(328,641)	-	(328,641)	(324,676)
(222,845)	-	(222,845)	(171,393)
(59,072)	-	(59,072)	(66,394)
(6,688)	-	(6,688)	(6,943)
(826,098)	-	(826,098)	(830,024)
-	307,942	307,942	36,359
-	(27,113)	(27,113)	(29,020)
-	280,829	280,829	7,339
(826,098)	280,829	(545,269)	(822,685)
515,657	-	515,657	471,908
153,287	-	153,287	157,140
8,422	-	8,422	13,194
66,340	-	66,340	56,358
73,717	-	73,717	47,575
7,235	-	7,235	6,979
84	-	84	93
38,255	57,243	95,498	42,580
862,997	57,243	920,240	795,827
36,899	338,072	374,971	(26,858)
1,917,118	4,306,602	6,223,720	6,250,578
<u>\$ 1,954,017</u>	<u>\$ 4,644,674</u>	<u>\$ 6,598,691</u>	<u>\$ 6,223,720</u>

TOWN OF GEORGETOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2014

	GENERAL	SALES TAX	OTHER	TOTALS	
	FUND	FUND	GOVERNMENTAL FUNDS	2014	2013
ASSETS					
Cash and Investments	\$ 37,758	\$ 239,193	\$ 32,467	\$ 309,418	\$ 228,177
Property Taxes Receivable	152,345		-	152,345	157,769
Accounts Receivable	11,205	-	-	11,205	6,166
Due From Other Governments	58,935	24,945	-	83,880	86,596
Due From Other Funds	-	-	-	-	40,122
Prepaid Expenses	12,436	-	-	12,436	6,590
TOTAL ASSETS	<u>\$ 272,679</u>	<u>\$ 264,138</u>	<u>\$ 32,467</u>	<u>\$ 569,284</u>	<u>\$ 525,420</u>
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 20,560	\$ -	\$ 206	\$ 20,766	\$ 13,775
Accrued Salaries and Benefits	8,906	-	-	8,906	5,919
Due to Other Funds	-	-	-	-	40,122
TOTAL LIABILITIES	<u>29,466</u>	<u>-</u>	<u>206</u>	<u>29,672</u>	<u>59,816</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	<u>152,345</u>	<u>-</u>	<u>-</u>	<u>152,345</u>	<u>157,769</u>
FUND EQUITY					
Fund Balance					
Nonspendable	12,436	-	-	12,436	6,590
Restricted for Emergencies	62,000	-	-	62,000	61,000
Committed	-	264,138	32,261	296,399	290,615
Unassigned	<u>16,432</u>	<u>-</u>	<u>-</u>	<u>16,432</u>	<u>(50,370)</u>
TOTAL FUND EQUITY	<u>90,868</u>	<u>264,138</u>	<u>32,261</u>	<u>387,267</u>	<u>307,835</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	<u>\$ 272,679</u>	<u>\$ 264,138</u>	<u>\$ 32,467</u>		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,787,618	1,835,132
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	(220,868)	(225,849)
Net position of governmental activities	<u>\$ 1,954,017</u>	<u>\$ 1,917,118</u>

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2014

	GENERAL	SALES TAX	OTHER	TOTALS	
	FUND	FUND	GOVERNMENTAL	2014	2013
			FUNDS		
REVENUES					
Taxes	\$ 598,378	\$ 145,328	\$ -	\$ 743,706	\$ 698,600
Licenses and Permits	49,149	-	-	49,149	46,263
Intergovernmental	188,942	6,199	4,835	199,976	242,314
Charges for Services	-	-	20,261	20,261	20,054
Donations	-	-	3,525	3,525	6,425
Court	6,945	-	-	6,945	7,110
Interest	84	-	-	84	93
Miscellaneous	22,455	15,800	-	38,255	42,580
TOTAL REVENUES	865,953	167,327	28,621	1,061,901	1,063,439
EXPENDITURES					
Current					
General Government	233,960	6,618	25,442	266,020	305,441
Public Safety	328,641	-	-	328,641	324,676
Public Works	182,761	-	-	182,761	296,920
Parks and Recreation	50,943	-	-	50,943	58,778
Capital Outlay	-	140,094	-	140,094	61,282
Debt Service					
Principal	-	7,322	-	7,322	7,068
Interest	-	6,688	-	6,688	6,943
TOTAL EXPENDITURES	796,305	160,722	25,442	982,469	1,061,108
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	69,648	6,605	3,179	79,432	2,331
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	(4,000)	(4,000)	(49,831)
Transfers In	4,000	-	-	4,000	49,831
TOTAL OTHER FINANCING SOURCES (USES)	4,000	-	(4,000)	-	-
NET CHANGE IN FUND BALANCE	73,648	6,605	(821)	79,432	2,331
FUND BALANCE, Beginning	17,220	257,533	33,082	307,835	305,504
FUND BALANCE, Ending	\$ 90,868	\$ 264,138	\$ 32,261	\$ 387,267	\$ 307,835

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

TOWN OF GEORGETOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

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

Net Changes in Fund Balances - Total Governmental Funds	\$	79,432
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$87,297), exceeded capital outlay \$39,783, for the current period.	(47,514)
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payment on leases payable \$7,322 and the change in compensated absences (\$2,341) for the year.	<u>4,981</u>
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Change in Net Position of Governmental Activities	<u>\$</u>	<u>36,899</u>
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The accompanying notes are an integral part of the financial statements.

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2014

	WATER FUND	SEWER FUND	TOTALS	
			2014	2013
ASSETS				
Current Assets				
Cash and Investments	\$ 22,464	\$ 190,889	\$ 213,353	\$ -
Restricted Cash and Investments	-	335,369	335,369	116,460
Due from Other Funds	-	-	-	10,075
Accounts Receivable	46,152	49,141	95,293	104,798
Due from Other Governments	-	-	-	-
Inventory	-	-	-	92,731
Prepaid Expenses	14,254	-	14,254	-
Total Current Assets	82,870	575,399	658,269	324,064
Noncurrent Assets				
Capital Assets, net of accumulated depreciation	4,900,980	5,513,807	10,414,787	9,332,398
TOTAL ASSETS	4,983,850	6,089,206	11,073,056	9,656,462
LIABILITIES				
Current Liabilities				
Accounts Payable	152,877	75,080	227,957	24,214
Due to Other Funds	-	-	-	10,075
Accrued Expenses	819	819	1,638	1,245
Compensated Absences	4,944	4,944	9,888	6,074
Accrued Interest Payable	4,483	-	4,483	4,920
Current Portion of Long Term Debt	126,959	224,741	351,700	314,637
Total Current Liabilities	290,082	305,584	595,666	361,165
Noncurrent Liabilities				
Notes Payable	2,387,657	3,445,059	5,832,716	4,988,695
TOTAL LIABILITIES	2,677,739	3,750,643	6,428,382	5,349,860
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,386,364	1,844,007	4,230,371	4,029,066
Restricted for Capital Improvement	-	335,369	335,369	116,460
Restricted for Operation & Maintenance Reserve	122,000	113,000	235,000	208,000
Unreserved	(202,253)	46,187	(156,066)	(46,924)
TOTAL NET POSITION	\$ 2,306,111	\$ 2,338,563	\$ 4,644,674	\$ 4,306,602

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2014

	WATER FUND	SEWER FUND	TOTALS	
			2014	2013
OPERATING REVENUES				
Charges for Services	\$ 600,489	\$ 534,192	\$ 1,134,681	\$ 1,109,965
Other Revenues	34,867	22,376	57,243	-
TOTAL OPERATING REVENUES	635,356	556,568	1,191,924	1,109,965
OPERATING EXPENSES				
Salaries and Benefits	177,972	195,761	373,733	299,611
Professional Services	87,736	7,002	94,738	148,193
Repairs and Maintenance	381,832	137,565	519,397	49,332
Administrative and General	70,179	87,370	157,549	296,057
Miscellaneous	3,469	381	3,850	5,903
Depreciation	217,035	237,576	454,611	454,611
TOTAL OPERATING EXPENSES	938,223	665,655	1,603,878	1,253,707
OPERATING INCOME (LOSS)	(302,867)	(109,087)	(411,954)	(143,742)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	243,116	95,465	338,581	79,436
Interest Expenses	(27,113)	-	(27,113)	(29,020)
TOTAL NON-OPERATING REVENUES (EXPENSES)	216,003	95,465	311,468	50,416
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(86,864)	(13,622)	(100,486)	(93,326)
Capital Contributions	438,558	-	438,558	100,665
NET INCOME	351,694	(13,622)	338,072	7,339
NET POSITION, Beginning	1,954,417	2,352,185	4,306,602	4,299,263
NET POSITION, Ending	\$ 2,306,111	\$ 2,338,563	\$ 4,644,674	\$ 4,306,602

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

TOWN OF GEORGETOWN, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE

Year Ended December 31, 2014

Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	TOTALS	
			2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 738,185	\$ 555,975	\$ 1,294,160	\$ 1,030,926
Cash Paid to Suppliers	(427,839)	(158,206)	(586,045)	(494,346)
Cash Paid to Employees	(175,869)	(193,657)	(369,526)	(294,176)
Net Cash Provided by Operating Activities	<u>134,477</u>	<u>204,112</u>	<u>338,589</u>	<u>242,404</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(1,112,421)	(424,579)	(1,537,000)	(249,098)
Grants	243,116	95,465	338,581	79,436
Proceeds from Issuance of Debt	470,921	724,800	1,195,721	110,169
Note Payments	(124,637)	(190,000)	(314,637)	(312,749)
Interest Payments	(27,550)	-	(27,550)	(29,440)
Capital Contributions	438,558	-	438,558	100,665
Net Cash Used by Capital and Related Financing Activities	<u>(112,013)</u>	<u>205,686</u>	<u>93,673</u>	<u>(301,017)</u>
Net Decrease in Cash and Cash Equivalents	22,464	409,798	432,262	(58,613)
CASH AND CASH EQUIVALENTS, Beginning	<u>-</u>	<u>116,460</u>	<u>116,460</u>	<u>175,073</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 22,464</u>	<u>\$ 526,258</u>	<u>\$ 548,722</u>	<u>\$ 116,460</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ (302,867)</u>	<u>\$ (109,087)</u>	<u>\$ (411,954)</u>	<u>\$ (143,742)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation and Amortization	217,035	237,576	454,611	454,611
Changes in Assets and Liabilities				
Accounts Receivable	10,098	(593)	9,505	13,692
Inventories	92,731	-	92,731	(92,731)
Prepaid Expenses	(14,254)	-	(14,254)	2,275
Due From Other Governments	-	10,075	10,075	11,127
Accounts Payable	139,706	64,037	203,743	(8,263)
Retainage Payable	-	-	-	-
Due to Other Funds	(10,075)	-	(10,075)	-
Accrued Expenses	196	197	393	1,033
Accrued Compensated Absences	1,907	1,907	3,814	4,402
Total Adjustments	<u>437,344</u>	<u>313,199</u>	<u>750,543</u>	<u>386,146</u>
Net Cash Provided by Operating Activities	<u>\$ 134,477</u>	<u>\$ 204,112</u>	<u>\$ 338,589</u>	<u>\$ 242,404</u>

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

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

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

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

The *Sales Tax Fund* accounts revenues and expenditures allocated for capital projects.

The Town also reports the following major proprietary fund:

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

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

Cash and Investments

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

Capital Assets

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

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

Net Position

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

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Equity (Continued)

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

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

Property Taxes

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

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

Comparative Data

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

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

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2014 follows:

Cash Deposits	\$ 825,223
Investments	<u>32,917</u>
Total	<u>\$ 858,140</u>

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

Governmental Activities	\$ 309,418
Business –Type Activities	213,353
Business-Type Activities - Restricted	<u>335,369</u>
Total	<u>\$ 858,140</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2014, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories.

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

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

At December 31, 2014, the Town had deposits with financial institutions with a carrying amount of \$825,223. The bank balances with the financial institutions were \$978,070. Of these balances \$501,280 was covered by federal depository insurance and \$476,790 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

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

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

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

The Town had invested \$32,917 in the Colorado Government Liquid Asset Trust and the Colorado Surplus Asset Fund Trust (COLOTRUST and CSAFE); investment vehicles established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated and CSAFE are rated AAAM by Standard and Poor's.

Restricted Cash

Cash in the amount of \$335,369 is restricted in the Sewer Fund for wastewater capital improvement projects.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2014 is summarized below:

	Balances <u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/14</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,056,744	\$ -	\$ -	\$ 1,056,744
Capital Assets, depreciated				
Buildings and Improvements	331,664	-	-	331,664
Infrastructure	1,866,753	35,276	-	1,902,029
Machinery and Equipment	<u>386,607</u>	<u>4,507</u>	-	<u>391,114</u>
Total Capital Assets, depreciated	<u>2,585,024</u>	<u>39,783</u>	-	<u>2,624,807</u>
Less Accumulated Depreciation				
Buildings and Improvements	172,643	14,443	-	187,086
Infrastructure	1,308,441	58,988	-	1,367,429
Machinery and Equipment	<u>325,552</u>	<u>13,866</u>	-	<u>339,418</u>
Total Accumulated Depreciation	<u>1,806,636</u>	<u>87,297</u>	-	<u>1,893,933</u>
Total Capital Assets, depreciated, Net	<u>778,388</u>	<u>(47,514)</u>	-	<u>730,874</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,835,132</u>	<u>\$ (47,514)</u>	<u>\$ -</u>	<u>\$ 1,787,618</u>

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

Governmental Activities	
General Government	\$ 20,371
Public Works	53,962
Parks and Recreation	<u>12,964</u>
Total	<u>\$ 87,297</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/14</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in Progress	<u>233,950</u>	<u>1,537,000</u>	<u>-</u>	<u>1,770,950</u>
Total Capital Assets, not depreciated	<u>241,450</u>	<u>1,537,000</u>	<u>-</u>	<u>1,778,450</u>
Capital Assets, depreciated				
Buildings and Improvements	6,536,922	-	-	6,536,922
Collection and Distribution	4,469,267	-	-	4,469,267
Machinery and Equipment	<u>184,801</u>	<u>-</u>	<u>-</u>	<u>184,801</u>
Total Capital Assets, depreciated	<u>11,190,990</u>	<u>-</u>	<u>-</u>	<u>11,190,990</u>
Less: Accumulated Depreciation				
Buildings and Improvements	708,272	221,664	-	929,936
Collection and Distribution	1,242,235	224,017	-	1,466,252
Machinery and Equipment	<u>149,535</u>	<u>8,930</u>	<u>-</u>	<u>158,465</u>
Total Accumulated Depreciation	<u>2,100,042</u>	<u>454,611</u>	<u>-</u>	<u>2,554,653</u>
Total Capital Assets, depreciated, Net	<u>9,090,948</u>	<u>(454,611)</u>	<u>-</u>	<u>8,636,337</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 9,332,398</u>	<u>\$ 1,082,389</u>	<u>\$ -</u>	<u>\$ 10,414,787</u>

NOTE 5: TRANSFERS

During 2014, the Conservation Trust Fund transferred \$4,000 to the General Fund to cover costs of maintaining the Town's parks and recreation areas.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2014.

	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/14</u>	Due In <u>One Year</u>
Capital Lease	\$ 191,218	\$ -	\$ 7,322	\$ 183,896	\$ 7,585
Accrued Compensated Absences	<u>34,631</u>	<u>2,341</u>	<u>-</u>	<u>36,972</u>	<u>-</u>
	<u>\$ 225,849</u>	<u>\$ 2,341</u>	<u>\$ 7,322</u>	<u>\$ 220,868</u>	<u>\$ 7,585</u>

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

Capital Leases

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

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2014:

Year Ended December 31,

2015	\$ 14,010
2016	14,010
2017	14,010
2018	14,010
2019	14,010
Thereafter	<u>178,634</u>
Total Minimum Lease Payments	248,674
Less: Interest	<u>(64,788)</u>
Present Value of Minimum Lease Payments	<u>\$ 183,896</u>

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: **LONG-TERM DEBT** (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2014.

	Balance <u>12/31/13</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/14</u>	Due In <u>One Year</u>
1999 CWSB Loan	\$ 113,916	\$ -	\$ 6,453	\$ 107,463	\$ 7,147
2002 DOLA Loan	142,640	-	12,931	129,709	13,578
2004 DOLA Loan	19,001	-	7,074	11,927	7,428
2009 CWRPDA Loan, Drinking Water	1,105,500	-	67,000	1,038,500	67,000
2009 CWRPDA Loan, Wastewater Facility	3,135,000	-	190,000	2,945,000	190,000
2011 CWRPDA Loan, Drinking Water	668,209	-	31,179	637,030	31,806
2012 CWCB Dam Loan	119,066	470,921	-	589,987	-
2014 Ground Lease	-	724,800	-	724,800	34,741
Compensated Absences	<u>6,074</u>	<u>3,814</u>	<u>-</u>	<u>9,888</u>	<u>-</u>
Total	<u>\$ 5,309,406</u>	<u>\$ 1,199,535</u>	<u>\$ 314,637</u>	<u>\$ 6,194,304</u>	<u>\$ 351,700</u>

1999 Colorado Water Conservancy Board (CWSB)

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

2002 Colorado Department of Local Affairs (DOLA)

In September 2002, the Town entered into a loan agreement with the Colorado Department of Local Affairs. Proceeds of the loan were used to fund the Rose Street Waterline Replacement. Principal and interest payments in the amount of \$20,061 are due annually on September 1, through 2022. Interest accrues at 5.00%.

2004 Colorado Department of Local Affairs (DOLA)

In September, 2004, the Town entered into a loan agreement with the Colorado Department of Local Affairs. Proceeds of the loan were used to fund the Argentine Street Water and Sewer Lines. Principal and interest payments in the amount of \$8,024 are due annually on September 1, through 2023. Interest accrues at 5.00%.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT (Continued)

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

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

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

In September 2009, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan/grant are used to improve the Town’s wastewater treatment facility. Under the terms of the agreement, the Town received a combination of loan and grant funds totaling \$5,800,000. \$2,000,000 of the proceeds were forgiven at loan closing and do not require repayment by the Town. At December 31, 2011, loan proceeds in the amount of \$3,131,003 were drawn by the town. The loan carries no interest. Semi- annual principal payments in the amount of \$95,000 are due on November 1, and May 1, beginning in 2010 and ending in 2030. The loan has a rate covenant requirement that states that gross revenues must cover one year’s estimated operating and maintenance expense plus 110% of the year’s anticipated debt service payments. The Sewer fund may not be in compliance with this covenant requirement. The Town budgeted only 100% of the debt service payments in 2014 but will budget the correct amount in 2015 to meet this requirement.

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

In May 2011, the Town entered into a loan agreement with the Colorado Water Resources and Power Authority (the “Authority”). Proceeds of the loan are used for the Town’s water resource project. Under the terms of the agreement, the Town received a loan totaling \$900,000. The loan carries interest at 2%. Semi-annual principal and interest payments in the amount of \$27,410 are due on May 1 and November 1, beginning in 2012 and ending in 2031. The Town has pledged current Net Revenues to the repayment of this loan.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT (Continued)

The loan has a rate covenant requirement that states that gross revenues must cover one year's estimated operating and maintenance expense plus 110% of the year's anticipated debt service payments. The Water fund may not be in compliance with this covenant requirement. The Town budgeted only 100% of the debt service payments in 2014 but will budget the correct amount in 2015 to meet this requirement.

2012 Colorado Water Conservancy Board (CWCB)

In March of 2012, the Town entered into a loan agreement with the Colorado Water Conservancy Board. Proceeds are used to fund the Town's dam project. No principal or interest payments are due until the project is substantially completed. The original approved loan amount is in the amount of \$2,976,975. As of December 31, 2014 the Town has drawn \$589,987 on the loan.

Future Debt Service Requirements

Estimated annual debt service requirements for the outstanding loans at December 31, 2014 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 316,959	\$ 25,228	\$ 342,187
2016	315,721	23,164	338,885
2017	312,985	21,179	334,164
2018	314,814	19,350	334,164
2019	316,716	17,447	334,163
2020-2024	1,573,767	56,927	1,630,694
2025-2029	1,502,085	26,260	1,528,345
2030-2032	<u>806,569</u>	<u>2,176</u>	<u>808,745</u>
Total Debt Service Requirements	<u>\$ 5,459,616</u>	<u>\$ 191,731</u>	<u>\$ 5,651,347</u>

Capital Leases

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2014:

Year Ended December 31,

2015	\$ 66,970
2016	66,970
2017	66,970
2018	66,970
2019	66,970
Thereafter	<u>669,709</u>
Total Minimum Lease Payments	1,004,559
Less: Interest	<u>(279,759)</u>
Present Value of Minimum Lease Payments	<u>\$ 724,800</u>

NOTE 7: RETIREMENT COMMITMENTS

Police Pension Plan

Plan Description - The Town provides pension benefits for its police officers through the Statewide Defined Benefit Plan, a multi-employer cost sharing defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). A member is eligible for retirement after attaining age 55 with 25 years of service. A member is eligible for early retirement after completing 30 years of service or attaining age 50.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Statewide Defined Benefit Plan. This report may be obtained by writing to: FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 303-770-3772 in the Denver metro area or 1-800-332-FPPA (3772) from outside the metro area.

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 7: RETIREMENT COMMITMENTS (Continued)

Police Pension Plan (Continued)

Funding Policy - The plan requires that the Town contribute an amount equal to 8% of the covered employee's gross annual salary. The Town contributions to the Plan for the year ending December 31, 2014 and December 31, 2013, were \$17,503 and \$16,154, respectively equal to the required contribution.

Defined Contribution Plan

The Town offers all employees except for police offers who are covered under FPPA a defined contribution pension plan, which is administered by the Colorado County Officials and Employees Retirement Association (CCOERA). Employee participation is mandatory and commences after one year of employment. Both the Town and employees contribute an amount equal to 3.00% of compensation. During the years ended December 31, 2014 and December 31, 2013, the Town contributions to the plan were \$9,833 and \$9,965, respectively equal to the required contribution.

Deferred Compensation Plan

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

NOTE 8: RISK MANAGEMENT

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

TOWN OF GEORGETOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 9: COMMITMENTS AND CONTINGENCIES

Wastewater Service Agreement

During 2011 the Town entered into a wastewater service agreement with the Town of Silver Plume to process Silver Plume's wastewater through the Town's facility. This agreement was intended to replace and supersede the 1986 and 2005 agreements. Under the terms of the agreement, both Towns contribute annually determined amounts to an Operating and Maintenance Reserve, a Capital Reserve and an Emergency Reserve. These funds are held by the Town of Georgetown and require approval by a Joint Water Commission Board prior to expenditure. As of December 31, 2014, these reserves are not fully funded. During 2014, the Town contributed \$36,440 to the Sewer Equipment Reserve and \$36,440 to the Sewer Long Term Capital Reserve. During 2014, the Town of Silver Plume paid the Town of Georgetown \$79,702 for wastewater treatment services under the terms of the contract.

Wastewater Sludge Dewatering System

In September, 2009, the Town entered into an intergovernmental agreement with the City of Idaho Springs and the Town of Morrison for the purchase of a wastewater sludge dewatering system. Under the terms of the agreement, the parties agreed to acquire the system and share ownership, use, operation, and maintenance costs equally. In addition, the Town of Morrison has applied and received grant funding to help offset the cost of the purchase of the equipment. The Town's share of the grant funds in the amount of \$67,000 was received during 2010.

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2014, the emergency reserve of \$62,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GEORGETOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2013 ACTUAL
REVENUES					
Taxes	\$ 566,670	\$ 566,670	\$ 598,378	\$ 31,708	\$ 568,420
Licenses and Permits	38,600	41,889	49,149	7,260	46,263
Intergovernmental	155,502	174,692	188,942	14,250	229,198
Court	9,175	9,175	6,945	(2,230)	7,110
Interest	100	100	84	(16)	93
Miscellaneous	5,000	16,522	22,455	5,933	40,080
TOTAL REVENUES	775,047	809,048	865,953	56,905	891,164
EXPENDITURES					
Current					
General Government	215,358	233,697	233,960	(263)	273,314
Public Safety	320,772	329,112	328,641	471	324,676
Public Works	214,847	215,847	182,761	33,086	296,920
Parks and Recreation	41,807	48,129	50,943	(2,814)	58,778
TOTAL EXPENDITURES	792,784	826,785	796,305	30,480	953,688
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,737)	(17,737)	69,648	87,385	(62,524)
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(2,331)
Transfers In	4,000	4,000	4,000	-	47,500
TOTAL OTHER FINANCING SOURCES (USES)	4,000	4,000	4,000	-	45,169
NET CHANGE IN FUND BALANCE	(13,737)	(13,737)	73,648	87,385	(17,355)
FUND BALANCE, Beginning	28,671	28,671	17,220	(11,451)	34,575
FUND BALANCE, Ending	\$ 14,934	\$ 14,934	\$ 90,868	\$ 75,934	\$ 17,220

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Sales Tax	\$ 137,911	\$ 137,911	\$ 145,328	\$ 7,417	\$ 130,180
Intergovernmental	-	6,029	6,199	170	7,768
Miscellaneous	-	15,800	15,800	-	2,500
Interest	10	10	-	(10)	-
TOTAL REVENUES	137,921	159,750	167,327	7,577	140,448
EXPENDITURES					
Current					
General Government					
Professional Services	11,000	11,000	6,618	4,382	471
General and Administrative	1,500	1,500	-	1,500	1,906
Capital Outlay	170,000	191,829	140,094	51,735	61,282
Debt Service					
Principal	7,322	7,322	7,322	-	7,068
Interest	6,689	6,689	6,688	1	6,943
TOTAL EXPENDITURES	196,511	218,340	160,722	57,618	77,670
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,590)	(58,590)	6,605	65,195	62,778
OTHER FINANCING SOURCES (USES)					
Transfers Out	(40,000)	(40,000)	-	40,000	(43,000)
Proceeds from Issuance of Debt	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(40,000)	(40,000)	-	40,000	(43,000)
NET CHANGE IN FUND BALANCE	(98,590)	(98,590)	6,605	105,195	19,778
FUND BALANCE, Beginning	253,245	253,245	257,533	4,288	237,755
FUND BALANCE, Ending	\$ 154,655	\$ 154,655	\$ 264,138	\$ 109,483	\$ 257,533

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2014

	CONSERVATION TRUST FUND	TOWN PROMOTION FUND	TOTALS	
			2014	2013
ASSETS				
Cash and Investments	\$ 3,219	\$ 29,248	\$ 32,467	\$ 33,703
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 206	\$ 206	\$ 621
TOTAL LIABILITIES	-	206	206	621
FUND EQUITY				
Committed	3,219	29,042	32,261	33,082
TOTAL FUND EQUITY	3,219	29,042	32,261	33,082
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,219	\$ 29,248	\$ 32,467	\$ 33,703

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2014

	CONSERVATION TRUST FUND	TOWN PROMOTION FUND	TOTALS	
			2014	2013
REVENUES				
Intergovernmental	\$ 4,835	\$ -	\$ 4,835	\$ 5,348
Charges for Services	-	20,261	20,261	20,054
Donations	-	3,525	3,525	6,425
TOTAL REVENUES	4,835	23,786	28,621	31,827
EXPENDITURES				
General Government	-	25,442	25,442	29,750
TOTAL EXPENDITURES	-	25,442	25,442	29,750
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,835	(1,656)	3,179	2,077
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,000)	-	(4,000)	(4,500)
Transfers In	-	-	-	2,331
TOTAL OTHER FINANCING SOURCES (USES)	(4,000)	-	(4,000)	(2,169)
NET CHANGE IN FUND BALANCE	835	(1,656)	(821)	(92)
FUND BALANCE, Beginning	2,384	30,698	33,082	33,174
FUND BALANCE, Ending	\$ 3,219	\$ 29,042	\$ 32,261	\$ 33,082

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2013 ACTUAL
REVENUES				
Lottery Revenues	\$ 5,000	\$ 4,835	\$ (165)	\$ 5,348
TOTAL REVENUES	5,000	4,835	(165)	5,348
EXPENDITURES				
Parks and Recreation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,000	4,835	(165)	5,348
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,000)	(4,000)	-	(4,500)
TOTAL OTHER FINANCING SOURCES (USES)	(4,000)	(4,000)	-	(4,500)
NET CHANGE IN FUND BALANCE	1,000	835	(165)	848
FUND BALANCE, Beginning	1,536	2,384	848	1,536
FUND BALANCE, Ending	\$ 2,536	\$ 3,219	\$ 683	\$ 2,384

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

TOWN PROMOTION FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2013 ACTUAL
REVENUES				
Charges for Services	\$ 19,216	\$ 20,261	\$ 1,045	\$ 20,054
Donations	3,000	3,525	525	6,425
TOTAL REVENUES	22,216	23,786	1,570	26,479
EXPENDITURES				
Current				
General Government				
Professional Services	4,000	4,235	(235)	10,661
General and Administrative	28,736	21,207	7,529	19,089
TOTAL EXPENDITURES	32,736	25,442	7,294	29,750
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,520)	(1,656)	8,864	(3,271)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	2,331
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	2,331
NET CHANGE IN FUND BALANCE	(10,520)	(1,656)	8,864	(940)
FUND BALANCE, Beginning	23,996	30,698	6,702	31,638
FUND BALANCE, Ending	\$ 13,476	\$ 29,042	\$ 15,566	\$ 30,698

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014			VARIANCE	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Charges for Services	\$ 576,212	\$ 576,212	\$ 600,489	\$ 24,277	\$ 584,298
Tap Fees	100	100	-	(100)	100
Intergovernmental	378,332	389,314	243,116	(146,198)	1,829
Capital Contribution	1,000,000	1,000,000	438,558	(561,442)	100,465
Other Revenues	1,224,308	1,233,831	505,788	(728,043)	-
Transfer	40,000	40,000	-	(40,000)	-
TOTAL REVENUES	<u>3,218,952</u>	<u>3,239,457</u>	<u>1,787,951</u>	<u>(1,451,506)</u>	<u>686,692</u>
EXPENDITURES					
Salaries and Benefits	185,687	190,816	177,972	12,844	151,188
Professional Services	150,500	150,500	87,736	62,764	122,009
Repairs and Maintenance	441,650	447,475	323,989	123,486	28,064
Administration and General	68,310	68,310	70,179	(1,869)	78,722
Miscellaneous	1,000	1,000	3,469	(2,469)	5,594
Capital Outlay	2,208,670	2,218,221	1,170,264	1,047,957	215,033
Debt Service					
Principal	124,638	124,638	124,637	1	122,749
Interest	27,553	27,553	27,113	440	29,020
TOTAL EXPENDITURES	<u>3,208,008</u>	<u>3,228,513</u>	<u>1,985,359</u>	<u>1,243,154</u>	<u>752,379</u>
NET INCOME, Budget Basis	<u>\$ 10,944</u>	<u>\$ 10,944</u>	(197,408)	<u>\$ (208,352)</u>	(65,687)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			1,112,421		215,033
Depreciation			(217,035)		(217,035)
Proceeds from Issuance of Debt			(470,921)		-
Principal Paid on Long-Term Debt			124,637		122,749
NET INCOME, GAAP Basis			351,694		55,060
NET POSITION, Beginning			<u>1,954,417</u>		<u>1,899,357</u>
NET POSITION, Ending			<u>\$ 2,306,111</u>		<u>\$ 1,954,417</u>

See the accompanying independent auditors' report.

TOWN OF GEORGETOWN, COLORADO

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 541,487	\$ 541,487	\$ 534,192	\$ (7,295)	\$ 525,567
Tap Fees	100	100	-	(100)	200
Intergovernmental	79,266	79,266	95,465	16,199	77,607
Other Revenues	1,699,776	1,709,776	747,176	(962,600)	-
TOTAL REVENUES	2,320,629	2,330,629	1,376,833	(953,796)	603,374
EXPENDITURES					
Salaries and Benefits	184,987	184,987	195,761	(10,774)	148,423
Professional Services	16,300	16,300	7,002	9,298	26,184
Repairs and Maintenance	168,750	168,750	121,450	47,300	21,268
Administration and General	81,710	81,710	87,370	(5,660)	217,335
Miscellaneous	600	600	381	219	309
Capital Outlay	1,638,970	1,648,970	440,694	1,208,276	32,920
Debt Service					
Principal	190,000	190,000	190,000	-	190,000
Interest	-	-	-	-	-
TOTAL EXPENDITURES	2,281,317	2,291,317	1,042,658	1,248,659	636,439
NET INCOME, Budget Basis	\$ 39,312	\$ 39,312	334,175	\$ 294,863	(33,065)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			424,579		32,920
Depreciation			(237,576)		(237,576)
Proceeds from Issuance of Debt			(724,800)		-
Principal Paid on Long-Term Debt			190,000		190,000
NET INCOME, GAAP Basis			(13,622)		(47,721)
NET POSITION, Beginning			2,352,185		2,399,906
NET POSITION, Ending			\$ 2,338,563		\$ 2,352,185

See the accompanying independent auditors' report.

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Georgetown
		YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of Town of Georgetown	Prepared By: Phone:	Mary Sims 3035692555.00

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)	106,441
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,511
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	563
2. General fund appropriations	61,567	b. Snow and ice removal	3,804
3. Other local imposts (from page 2)	280,778	c. Other	
4. Miscellaneous local receipts (from page 2)	6,572	d. Total (a. through c.)	4,367
5. Transfers from toll facilities		4. General administration & miscellaneous	160,510
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	121,360
a. Bonds - Original Issues		6. Total (1 through 5)	399,189
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)	348,917	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	50,272	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	399,189	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)	399,189

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
		399,189	399,189		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	

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	62,979	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	6,572
1. Sales Taxes	209,377	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	8,422	g. Other Misc. Receipts	
6. Total (1. through 5.)	217,799	h. Other	
c. Total (a. + b.)	280,778	i. Total (a. through h.)	6,572
	(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	45,011	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	5,261	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.)	5,261	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	50,272	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		5,345	5,345
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		65,820	65,820
(4). System Enhancement & Operation		35,276	35,276
(5). Total Construction (1) + (2) + (3) + (4)	0	101,096	101,096
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	106,441	106,441
			(Carry forward to page 1)

Notes and Comments:

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Name (as shown on your income tax return)
Town of Georgetown, Colorado

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:

☐ Individual ☐ Sole Proprietor ☐ Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) > _____

☐ Other (see instructions) > ☒ Government

Exemptions (see instructions):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

Address (number, street, and apt. or suite no.)
404 6th St.

City, state, and ZIP code
Georgetown, CO 80444

Purchase Order address if different (optional)

List account number(s) here (optional) _____

Contact name
Mary Sims

Contact Email
towntreas@townofgeorgetown.us

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number
84-6000671

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below), and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here **Signature of U.S. person >** *Alisha Sims* **Date >** *12/21/2017*

Have you ever worked for the State of Colorado? ☐ Yes ☐ No

Have you ever worked for a PERA Employer? ☐ Yes ☐ No

Business Types (check all that apply):

- ☐ CO Location/HQ in CO
- ☐ CO Location/HQ out of CO
- ☐ No CO Location/HQ in US
- ☐ No CO Location/HQ out of US
- ☐ Has Paid Compensation Tax
- ☐ Has Not Paid Compensation Tax
- ☐ African American
- ☐ Asian Pacific American
- ☐ Subcontinent Asian American
- ☐ Hispanic American
- ☐ Native American
- ☐ CDOT Certified Emerging Small Business
- ☐ CDOT Certified Disadvantaged Small Business
- ☐ Women Owned
- ☐ Woman Business Enterprise

- ☐ Veteran Owned
- ☐ Disabled Vet Business Enterprise
- ☐ Disadvantaged Veteran Enterprise
- ☐ Service Disabled Veteran
- ☐ Vietnam Veteran
- ☐ Veteran Business Enterprise
- ☐ Disadvantaged Business Enterprise
- ☐ Small Disadvantaged Business
- ☐ Disabled Owned
- ☐ 8(A) Designation
- ☐ HUBZone Certified
- ☐ Labor Surplus
- ☐ Historical Black Colleges & Universities
- ☐ Small Business
- ☐ Airport Concession Disadvantaged Business