

TOWN OF GYPSUM, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2021

TOWN OF GYPSUM, COLORADO
FOR THE YEAR ENDED
December 31, 2021

TOWN COUNCIL

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

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

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the Fiduciary Fund of the Town of Gypsum as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Gypsum's basic financial statements as listed in the table of contents.

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 Fiduciary Fund of the Town of Gypsum as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

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



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
June 28, 2022

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2021 are as follows:

- In total, the Town's *overall* net position increased \$6,937,784 or 5.6% from the previous fiscal year.
- The Town's Governmental Activities General Revenues accounted for \$12,687,317 or 76% of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$4,085,754 or 24% of the Town's total revenues of \$16,773,071.
- Governmental Activities for the Town had \$12,376,418 in expenses, of which \$2,502,166 were offset by program specific charges for services and sales, \$489,221 by operating grants and capital grants and contributions totaling \$1,094,367.
- In the Town's business-type (utility enterprise) activities, fiscal year revenues exceeded expenses by \$2,647,131 thus increasing the activity's net position to \$57,961,056.

USING THE BASIC FINANCIAL STATEMENTS

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

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

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

FUND FINANCIAL STATEMENTS -- CONTINUED

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

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

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

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

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

Parks and Recreation Fund – accounts for funds used for expenditure for parks and recreation, including the Town's golf course.

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

American Rescue Fund – accounts for State and Local Fiscal Recovery Funds received from the U.S. Treasury to support the Town in response to the economic and public health impacts of COVID-19 alongside efforts to contain impacts on communities, residents and businesses.

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

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

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

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

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

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN AS A WHOLE

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

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>ASSETS:</u>						
Current and Other Assets	\$ 16,437	\$ 10,224	\$ 11,086	\$ 9,149	\$ 27,523	\$ 19,373
Other Non-Current Assets	-	-	164	171	164	171
Restricted Cash	12,026	10,790	17	17	12,043	10,807
Capital Assets, Net	49,370	51,553	50,115	49,405	99,485	100,958
Total Assets	77,833	72,567	61,382	58,742	139,215	131,309
<u>LIABILITIES:</u>						
Current & Other Liabilities	3,312	2,284	995	820	4,307	3,104
Long-term Liabilities	1,501	1,701	2,426	2,608	3,927	4,309
Total Liabilities	4,813	3,985	3,421	3,428	8,234	7,413
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Property Taxes	939	791	-	-	939	791
Total Deferred Inflows	939	791	-	-	939	791
<u>NET POSITION:</u>						
Invested in Capital Assets, Net of Related Debt	47,669	49,657	47,630	46,740	95,299	96,397
Restricted	11,099	11,051	17	17	11,116	11,068
Unrestricted	13,313	7,083	10,314	8,557	23,627	15,640
Total Net Position	\$ 72,081	\$ 67,791	\$ 57,961	\$ 55,314	\$130,042	\$123,105

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets exceeded its liabilities and deferred inflows by \$130 million at December 31, 2021.

By far the largest portion of the Town's Net Position (73%) reflects its net investment of \$95 million in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's Net Position, \$11 million (8.5%) represents resources that are subject to restrictions as to how they may be used; this includes statutorily required TABOR emergency reserves and monies restricted for capital improvements, community enhancement and conservation trust purposes.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net assets for the fiscal year 2021:

<i>(In Thousands)</i>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services/Sales	\$ 2,502	\$ 1,567	\$ 2,863	\$ 2,733	\$ 5,365	\$ 4,300
Operating Grants & Contrib.	489	411	-	-	489	411
Capital Grants & Contrib.	<u>1,094</u>	<u>99</u>	<u>3,495</u>	<u>1,573</u>	<u>4,589</u>	<u>1,672</u>
Total Program Revenues	<u>4,085</u>	<u>2,077</u>	<u>6,358</u>	<u>4,306</u>	<u>10,443</u>	<u>6,383</u>
General Revenues and Transfers:						
Taxes	10,805	9,210	-	-	10,805	9,210
Intergovernmental Revenue	837	306	-	-	837	306
Interest/Investment Earnings	9	115	4	52	13	167
Gain on Asset Disposal	1,036	-	-	-	1,036	-
Transfers	<u>(106)</u>	<u>(93)</u>	<u>106</u>	<u>93</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>12,581</u>	<u>9,538</u>	<u>110</u>	<u>145</u>	<u>12,691</u>	<u>9,683</u>
Total Revenues	<u>16,666</u>	<u>11,615</u>	<u>6,468</u>	<u>4,451</u>	<u>23,134</u>	<u>16,066</u>
<u>PROGRAM EXPENSES:</u>						
General Government	1,967	2,135	-	-	1,967	2,135
Community Development	1,087	989	-	-	1,087	989
Public Safety	1,318	1,127	-	-	1,318	1,127
Streets & Public Works	4,657	4,190	-	-	4,657	4,190
Culture & Recreation	3,147	2,688	-	-	3,147	2,688
Economic Development	160	182	-	-	160	182
Interest - Gen'l Obligations	40	48	-	-	40	48
Water Utility	-	-	2,223	1,718	2,223	1,718
Sewer Utility	-	-	1,212	1,174	1,212	1,174
Sanitation Utility	<u>-</u>	<u>-</u>	<u>386</u>	<u>329</u>	<u>386</u>	<u>329</u>
Total Expenses	<u>12,376</u>	<u>11,359</u>	<u>3,821</u>	<u>3,221</u>	<u>16,197</u>	<u>14,580</u>
INCREASE (DECREASE)						
IN NET POSITION	<u>\$ 4,290</u>	<u>\$ 256</u>	<u>\$ 2,647</u>	<u>\$ 1,230</u>	<u>\$ 6,937</u>	<u>\$ 1,486</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN AS A WHOLE -- CONTINUED

Governmental Activities

Revenues

The Town's governmental activities revenues increased approximately \$2,950 thousand, or 30% from the prior year. Notable increases occurred in sales taxes collected, real estate transfer taxes, cigarette taxes and the sale of assets.

Expenses

Program expenses for governmental activities increased approximately \$1,017 thousand, or 9% from the prior fiscal year. Increases occurred in streets repairs and maintenance, golf course maintenance and overall general government administrative costs increasing with expanded operations previously halted due to the COVID-19 Pandemic.

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

<i>(In Thousands)</i>	<u>Total Cost of Service</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General Government	\$ 1,967	\$ 2,135	\$ 1,326	\$ 1,675
Community Development	1,087	989	1,017	959
Public Safety	1,318	1,127	1,258	1,101
Streets & Public Works	4,657	4,190	2,927	3,693
Culture & Recreation	3,147	2,688	1,833	1,849
Economic Development	160	182	(110)	(43)
Interest - General Obligation Debt	40	48	40	48
Total Expenses	<u>\$ 12,376</u>	<u>\$ 11,359</u>	<u>\$ 8,291</u>	<u>\$ 9,282</u>

The dependence on general revenues for governmental activities is essential. Approximately 92% of fiscal 2021 program services were supported through taxes and other general revenues, and 82% in 2020.

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

<i>(In Thousands)</i>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
Operating Revenues	\$ 2,863	\$ 2,733
Capital Grants and Contributions	3,495	1,573
General Revenues	4	52
Total Revenues	<u>6,362</u>	<u>4,358</u>
Operating and Interest Expenses	<u>3,821</u>	<u>3,221</u>
Net Income (Loss), Before Capital Contributions	2,541	1,137
Transfer In (Out)	<u>106</u>	<u>93</u>
Change in Net Position	<u>\$ 2,647</u>	<u>\$ 1,230</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE TOWN'S FUNDS

Governmental Funds

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

The General Fund ending fund balance increased from \$7,508,812 to \$13,620,281 during the current fiscal year. The net increase of \$6,111,469 represents the excess of current period revenues (financial sources) over current period expenses (financial uses). The ending fund balance in the amount of \$13,620,281, which includes \$820,385 reserves, is the amount of net resources available for future spending. The majority of financial resources are from taxes and intergovernmental revenues from state, county and local taxes.

The Conservation Trust Fund ending fund balance increased from \$73,817 to \$119,895 during the current fiscal year. The net increase of \$46,078 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$119,895 is the amount of net resources available for future spending. The majority of financial resources are intergovernmental revenues from state lottery proceeds.

The Parks and Recreation Fund ending fund balance increased from \$271,800 to \$383,567 during the current fiscal year. The net increase of \$111,767 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$383,567 includes non-spendable items that total \$21,401 leaving assigned net resources available for future spending in the amount of \$362,166.

The Highway 6 Devolution Fund ending fund balance is increased from \$10,597,304 to \$10,601,530. The ending fund balance of \$10,601,530 represents the amount of restricted funding to be used for future maintenance of Highway 6 infrastructure located within the Town limits.

The American Rescue Fund ending fund balance increased from \$0 to \$7. The ending fund balance of \$7 is the amount of net resources available for future spending.

Proprietary Funds

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

The Water Enterprise Fund ending net position increased \$1,230,852 from \$38,158,474 to \$39,389,326.

The Sewer Enterprise Fund ending net position increased \$1,470,696 from \$16,752,248 to \$18,222,944.

The Sanitation Enterprise Fund ending net position decreased \$54,417 from \$403,203 to \$348,786.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

Proprietary Funds - Continued

Positive changes in net position reflect that the enterprise funds are currently generating enough operating and non-operating revenues to offset current year operating and non-operating expenses, while negative changes in net assets indicate that they are not. The net assets of the enterprise activities represent the amount of net resources, including capital assets, available to provide future utility services to the general public of the Town of Gypsum. Certain net assets have been restricted for future debt service in the Water Fund (\$16,519). Unrestricted net assets, those not restricted or invested in capital assets, that are available for future spending are \$5,404,902 in the Water Fund; \$4,792,840 in the Sewer Fund; and \$116,383 in the Sanitation Fund.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The budgeting system of the Town uses a line-item based budget, which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of fiscal 2021, the Town amended its General Fund budget. During 2021, the general fund original budget appropriation in the amount of \$10,609,401 was decreased by \$435,588 to the final budget appropriation of \$10,173,813 to more accurately reflect anticipated year-end use of available general fund resources.

General Fund Resources (Inflows)

The Town's General Fund budgetary revenues and other financing sources in the amount of \$14,983,791 exceeded budgetary expectations of \$13,699,464 by \$1,284,327. Notable positive variances occurred for real estate transfer taxes, sales tax collections and the sale of fixed assets. Further detail of individual line-item revenues for the general fund can be found in the 'Supplemental Information' section following the notes to the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's General Fund budgetary expenditures and other financing uses of \$8,872,322 were \$1,301,491 less than the final appropriated fund balance of \$10,173,813. Savings occurred for professional services such as engineering and attorney fees related to managing the Town's resources, and capital item expenditures being less than anticipated. Further detail of individual line-item expenditures for the general fund can be found in the 'Supplemental Information' section following the notes to the financial statements.

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

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the Town had a total of \$99,485 million in capital assets, consisting of \$49,370 million in governmental activities and \$50,115 in business-type activities. The following reflects the balances of fiscal year 2021 compared to fiscal year 2020:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
<i>Net of Depreciation:</i>						
Land	\$ 7,525	\$ 7,494	\$ 214	\$ 214	\$ 7,739	\$ 7,708
Water Rights	-	-	13,737	13,737	13,737	13,737
Construction-in-Progress	172	52	108	-	280	52
Buildings	12,012	12,494	47	50	12,059	12,544
Lines, Meters, Plant	-	-	35,670	34,984	35,670	34,984
Improvements	2,134	2,309	-	-	2,134	2,309
Heavy Equipment	872	585	339	420	1,211	1,005
Office Equipment	47	88	-	-	47	88
Ballfields	197	219	-	-	197	219
Infrastructure	26,411	28,312	-	-	26,411	28,312
Total Capital Assets	<u>\$ 49,370</u>	<u>\$ 51,553</u>	<u>\$ 50,115</u>	<u>\$ 49,405</u>	<u>\$ 99,485</u>	<u>\$100,958</u>

Debt

At December 31, 2021 the Town had a total of \$4,186,073 of outstanding long-term obligations, of which \$1,701,242 is carried in governmental activities and \$2,484,831 is carried in business-type activities. Additional information regarding debt service requirements is found in *Note 4* of the financial statements.

MAJOR INITIATIVES

The uncertainty of the COVID-19 Pandemic had the town bracing for a drop off in revenues in 2020. After an initial downturn, revenues rebounded to ultimately increase from 2019. This trend continued in 2021, with year-end revenues again climbing to surpass the previous year's revenues.

In 2021, the town focused much of its general fund capital expenditures on roadway improvement projects. This included repairs at Railroad and Second Street, Navajo and Cochise, Indian Heights and Apache, and the Black Bear and Vicksburg intersections. A significant mill and overlay project was completed on Ponderosa and Pine streets, sidewalk and curb repairs were made on Greenway, and roadway surfaces were repaired at the Apache and Lara Court cul-de-sacs.

Gypsum was allocated \$1,853,704 from the American Rescue Plan Act of 2021 as a Non-Entitlement Unit of government and received its first portion of funds, \$926,852 in 2021. The second tranche of funds will be received by the town in 2022. These funds have been provisionally earmarked by the town council to be used towards the response of the economic and public health impacts of COVID-19.

A full council chamber audiovisual system upgrade and remodel was completed in 2021, but the project was plagued by supply chain availability and hardware problems throughout. The system was not yet performing to the town's expectations at the close of the year. This project will receive further attention in 2022 to ensure that the performance and public meeting production quality the Town desires is achieved.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

MAJOR INITIATIVES – *Continued*

2021 saw major utility construction throughout the town continue with Comcast building a state-of-the-art fiber-optic network in Gypsum. The project is slated to be fully completed by the end of 2022.

The Gypsum Creek Clubhouse building also received significant investment from the Town in 2021 as the building was showing its age after years of public use that far exceeds any uses imagined when it was originally built and intended to serve as a private golf course clubhouse. The deck roofing on the upper level was completely repaired and replaced and the basement was gutted and remediated to combat an accumulation of allergens and molds brought on by heavy building use and various plumbing failures across multiple years. The duct system was also cleaned. The nearby pool house was painted along with a portion of the clubhouse to ensure the facility is presentable and protected against the elements.

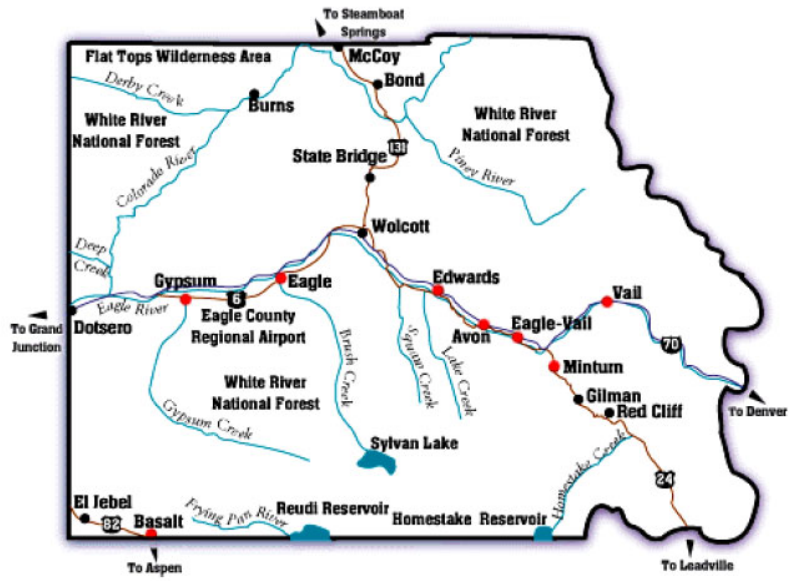
CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

Since 1990 the Town's population has increased from 1,750 to approximately 7,400. Although this growth has benefited the Town's financial position, the Town continues to seek ways to improve the quality and quantity of the services provided to the citizens of the Town of Gypsum. Sales and use tax revenue increased in 2021 when compared to 2020 by \$982,685 or 15%. Sales and use tax continue to be a principal source of the Town's governmental revenues, accounting for 61% of the General Fund revenues in 2021. In 2021, the Town's real estate transfer tax collections increased by \$585,094 or 44%, from 2020. The Town expects a minimal increase in sales tax and a decline in use tax and real estate transfer taxes in 2021. Enterprise activities will continue to rely on charges for services.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

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



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO

STATEMENT OF NET POSITION

December 31, 2021

	Governmental Activities	Business-type Activities	Totals
Current Assets:			
Cash and Investments	\$ 15,899,534	\$ 10,749,533	\$ 26,649,067
Receivables:			
Property Taxes	939,124	-	939,124
Accounts Receivable	407,555	261,556	669,111
Intergovernmental	96,349	-	96,349
Other Receivables	-	75,545	75,545
Other Assets	21,401	-	21,401
Total Current Assets	17,363,963	11,086,634	28,450,597
Non-Current Assets:			
Restricted Cash Balance	11,099,129	16,519	11,115,648
Prepaid Water Purchase Lease Costs	-	164,050	164,050
Capital Assets:			
Non-Depreciable	7,696,069	13,951,111	21,647,180
Depreciable, Net	41,674,455	36,164,132	77,838,587
Total Non-Current Assets	60,469,653	50,295,812	110,765,465
TOTAL ASSETS	77,833,616	61,382,446	139,216,062
Liabilities:			
Accounts Payable	925,347	172,666	1,098,013
Accrued Interest Payable	6,098	6,534	12,632
Accrued Wages & Related Expenses	132,423	36,627	169,050
Accrued Vacation & Sick Pay	307,329	88,542	395,871
Other Liabilities	814,066	-	814,066
Unearned Revenue	926,852	632,190	1,559,042
Long-term Debt:			
Portion Due or Payable within One Year:			
Intergovernmental Loan	-	36,849	36,849
Leases Payable	34,682	-	34,682
Lease Purchase – 2017 Lease Purchase	165,573	21,875	187,448
Portion Due or Payable after One Year:			
Intergovernmental Loan	-	2,256,082	2,256,082
Lease Purchase – 2017 Lease Purchase	1,286,911	170,025	1,456,936
Lease Payable	214,076	-	214,076
Total Liabilities	4,813,357	3,421,390	8,234,747
Deferred Inflow of Resources:			
From Property Taxes	939,124	-	939,124
Total Deferred Inflow of Resources	939,124	-	939,124
Net Position			
Invested in Capital Assets, Net of Related Debt	47,669,282	47,630,412	95,299,694
Restricted for Emergencies	287,000	-	287,000
Restricted – Other (see Note 1Q)	11,099,129	16,519	11,115,648
Unrestricted	13,025,724	10,314,125	23,339,849
TOTAL NET POSITION	\$ 73,081,135	\$ 57,961,056	\$ 130,042,191

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2021

	PROGRAM REVENUES		
<u>EXPENSES</u>	<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTION/PROGRAM ACTIVITIES			
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 1,966,798	\$ 640,307	\$ -
Community Development	1,087,277	70,503	-
Public Safety	1,318,496	60,939	-
Streets and Public Works	4,656,710	255,566	489,221
Culture and Recreation	3,147,326	1,204,813	-
Economic Development	160,195	270,038	-
Interest on General Long-term Debt	39,616	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>12,376,418</u>	<u>2,502,166</u>	<u>489,221</u>
BUSINESS-TYPE ACTIVITIES:			
Water Utility	2,222,556	1,398,448	-
Sewer Utility	1,212,446	1,133,224	-
Sanitation Utility	385,622	331,163	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>3,820,624</u>	<u>2,862,835</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 16,197,042</u>	<u>\$ 5,365,001</u>	<u>\$ 489,221</u>

GENERAL REVENUES AND TRANSFERS:

Taxes:

- Property Taxes, Levied for General Purposes
- Specific Ownership Taxes, for General Purposes
- Sales and Use Tax
- Franchise Tax
- Real-Estate Transfer Tax

Grants and Entitlements Not Restricted to Specific Programs:

- Intergovernmental – County Sales Tax
- Intergovernmental – Cigarette Tax
- Unrestricted Interest and Investment Earnings
- Transfers In (Out)
- Gain/(Loss) on Asset Disposition

Total General Revenues and Transfers

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (1,326,491)	-	\$ (1,326,491)
(1,016,774)	-	(1,016,774)
(1,257,557)	-	(1,257,557)
(2,926,889)	-	(2,926,889)
(1,833,180)	-	(1,833,180)
109,843	-	109,843
(39,616)	-	(39,616)
(8,290,664)	-	(8,290,664)
-	\$ 1,228,685	1,228,685
-	1,363,000	1,363,000
-	(54,459)	(54,459)
-	2,537,226	2,537,226
(8,290,664)	2,537,226	(5,753,438)
800,585	-	800,585
43,376	-	43,376
7,765,044	-	7,765,044
272,893	-	272,893
1,922,774	-	1,922,774
340,067	-	340,067
496,911	-	496,911
9,245	3,905	13,150
(106,000)	106,000	-
1,036,422	-	1,036,422
12,581,317	109,905	12,691,222
4,290,653	2,647,131	6,937,784
67,790,482	55,313,925	123,104,407
\$ 72,081,135	\$ 57,961,056	\$ 130,042,191

FUND FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	Conservation Trust Fund	Parks and Recreation Fund
<u>ASSETS:</u>			
Cash and Investments	\$ 14,939,966	\$ 119,895	\$ 410,413
Receivables – Net:			
Property Taxes	939,124	-	-
Accounts Receivable	403,048	-	4,507
Intergovernmental Receivable	96,349	-	-
Other Assets	<u>-</u>	<u>-</u>	<u>21,401</u>
 Total Assets	 <u>\$ 16,378,487</u>	 <u>\$ 119,895</u>	 <u>\$ 436,321</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
Liabilities:			
Accounts Payable	\$ 887,475	\$ -	\$ 37,872
Accrued Wages & Related Expenses	117,562	-	14,861
Unearned Revenues	-	-	-
Other Liabilities	<u>814,045</u>	<u>-</u>	<u>21</u>
 Total Liabilities	 <u>1,819,082</u>	 <u>-</u>	 <u>52,754</u>
Deferred Inflows of Resources:			
Unavailable Revenues From Property Taxes	<u>939,124</u>	<u>-</u>	<u>-</u>
 Total Deferred Inflows	 <u>939,124</u>	 <u>-</u>	 <u>-</u>
Fund Balances:			
Nonspendable	-	-	21,401
Restricted for -			
Enhancement Fund	182,417	-	-
Conservation Trust	-	119,895	-
Emergency Reserves	287,000	-	-
Highway 6 Devolution	-	-	-
American Rescue	-	-	-
Capital Projects	195,287	-	-
Committed for -			
Wildlife Mitigation	155,681	-	-
Assigned for -			
Golf Course Operations	-	-	362,166
Unassigned	<u>12,799,896</u>	<u>-</u>	<u>-</u>
 Total Fund Balance	 <u>13,620,281</u>	 <u>119,895</u>	 <u>383,567</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 16,378,487</u>	 <u>\$ 119,895</u>	 <u>\$ 436,321</u>

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

<u>Highway 6 Devolution Fund</u>	<u>American Rescue Fund</u>	<u>Total Governmental Funds</u>
\$ 10,601,530	\$ 926,859	\$ 26,998,663
-	-	939,124
-	-	407,555
-	-	96,349
<u>-</u>	<u>-</u>	<u>21,401</u>
<u>\$ 10,601,530</u>	<u>\$ 926,859</u>	<u>\$ 28,463,092</u>
\$ -	\$ -	\$ 925,347
-	-	132,423
-	926,852	926,852
<u>-</u>	<u>-</u>	<u>814,066</u>
<u>-</u>	<u>926,852</u>	<u>2,798,688</u>
<u>-</u>	<u>-</u>	<u>939,124</u>
<u>-</u>	<u>-</u>	<u>939,124</u>
-	-	21,401
-	-	182,417
-	-	119,895
-	-	287,000
10,601,530	-	10,601,530
-	-	-
-	-	195,287
-	-	155,681
-	-	362,166
<u>-</u>	<u>7</u>	<u>12,799,903</u>
<u>10,601,530</u>	<u>7</u>	<u>24,725,280</u>
<u>\$ 10,601,530</u>	<u>\$ 926,859</u>	<u>\$ 28,463,092</u>

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2021

TOTAL GOVERNMENTAL FUND BALANCES \$ 24,725,280

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

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

Governmental Capital Assets	\$ 91,249,595	
Less Accumulated Depreciation	<u>(41,879,071)</u>	49,370,524

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

Accrued Interest Payable	\$ (6,098)	
Accrued Compensated Absences	(307,329)	
Current Portion of Long-term Liabilities	<u>(200,255)</u>	(513,682)

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

(1,500,987)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 72,081,135

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Parks and Recreation Fund</u>
<u>Revenues:</u>			
Taxes	\$ 11,641,650	\$ -	\$ -
Licenses and Permits	63,821	-	-
Intergovernmental	489,221	46,044	-
Charges for Services	70,253	-	1,204,813
Community Development	1,346,539	-	-
Miscellaneous	1,367,399	-	-
Interest Income	4,908	34	70
	<hr/>	<hr/>	<hr/>
Total Revenues	14,983,791	46,078	1,204,883
<u>Expenditures:</u>			
General Government	1,787,333	-	-
Community Development	1,008,309	-	-
Public Safety	1,153,160	-	-
Streets and Public Works	2,082,739	-	-
Culture and Recreation	1,092,140	-	1,348,222
Economic Development	160,195	-	-
Capital Outlay	872,446	-	152,567
Debt Service:			
Principal	-	-	161,966
Interest	-	-	40,361
	<hr/>	<hr/>	<hr/>
Total Expenditures	8,156,322	-	1,703,116
Excess Revenues Over (Under) Expenditures	6,827,469	46,078	(498,233)
<u>Other Financing Sources and (Uses):</u>			
Transfers from Other Funds	-	-	610,000
Transfers (to) Other Funds	(716,000)	-	-
	<hr/>	<hr/>	<hr/>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	6,111,469	46,078	111,767
Fund Balances – Beginning	7,508,812	73,817	271,800
	<hr/>	<hr/>	<hr/>
Fund Balances – Ending	\$ 13,620,281	\$ 119,895	\$ 383,567

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

<u>Highway 6 Devolution Fund</u>	<u>American Rescue Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 11,641,650
-	-	63,821
-	-	535,265
-	-	1,275,066
-	-	1,346,539
-	-	1,367,399
4,226	7	9,245
4,226	7	16,238,985
-	-	1,787,333
-	-	1,008,309
-	-	1,153,160
-	-	2,082,739
-	-	2,440,362
-	-	160,195
-	-	1,025,013
-	-	161,966
-	-	40,361
-	-	9,859,438
4,226	7	6,379,547
-	-	610,000
-	-	(716,000)
4,226	7	6,273,547
10,597,304	-	18,451,733
\$ 10,601,530	\$ 7	\$ 24,725,280

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 6,273,547

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

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

Capital Outlay	\$ 681,182	
Developer Contributions	534,086	
Depreciation	<u>(3,397,658)</u>	(2,182,390)

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

Lease Proceeds	\$ -	
Repayment of Principal	<u>194,999</u>	194,999

Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year. This is the amount total accrued leave decreased this year. 3,752

Interest expense is recognized as an expenditure in the governmental funds when due, and this requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased. 745

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,290,653

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business-Type Activities			Total
	Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	
<u>ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES:</u>				
Current Assets:				
Cash and Investments	\$ 5,793,614	\$ 4,845,990	\$ 109,929	\$ 10,749,533
Receivables – Net				
Accounts Receivable	107,728	118,957	34,871	261,556
Other Receivables	75,545	-	-	75,545
Total Current Assets	<u>5,976,887</u>	<u>4,964,947</u>	<u>144,800</u>	<u>11,086,634</u>
Non-Current Assets:				
Restricted Cash Balances	16,519	-	-	16,519
Prepaid Water Lease Costs	164,050	-	-	164,050
Capital Assets, Net of				
Accumulated Depreciation	36,452,736	13,430,104	232,403	50,115,243
Total Non-Current Assets	<u>36,633,305</u>	<u>13,430,104</u>	<u>232,403</u>	<u>50,295,812</u>
Total Assets	<u>\$ 42,610,192</u>	<u>\$ 18,395,051</u>	<u>\$ 377,203</u>	<u>\$ 61,382,446</u>
<u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND NET POSITION:</u>				
Current Liabilities:				
Accounts Payable	\$ 94,927	\$ 70,455	\$ 7,284	\$ 172,666
Accrued Interest	6,534	-	-	6,534
Accrued Wages and Related Expenses	14,425	14,991	7,211	36,627
Accrued Vacation and Sick Pay	41,999	32,621	13,922	88,542
Unearned Revenue	578,150	54,040	-	632,190
Current Maturities of Long-term Debt - Net	58,724	-	-	58,724
Total Current Liabilities	<u>794,759</u>	<u>172,107</u>	<u>28,417</u>	<u>995,283</u>
Non-Current Liabilities:				
Lease Purchase – 2017 COP Refinance	170,025	-	-	170,025
Intergovernmental Loan	2,256,082	-	-	2,256,082
Total Non-Current Liabilities	<u>2,426,107</u>	<u>-</u>	<u>-</u>	<u>2,426,107</u>
Total Liabilities	<u>3,220,866</u>	<u>172,107</u>	<u>28,417</u>	<u>3,421,390</u>
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	33,967,905	13,430,104	232,403	47,630,412
Restricted for Debt Service	16,519	-	-	16,519
Unrestricted	5,404,902	4,792,840	116,383	10,314,125
Total Net Position	<u>39,389,326</u>	<u>18,222,944</u>	<u>348,786</u>	<u>57,961,056</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 42,610,192</u>	<u>\$ 18,395,051</u>	<u>\$ 377,203</u>	<u>\$ 61,382,446</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Sanitation Fund	
OPERATING REVENUES:				
Service Fees	\$ 1,246,052	\$ 1,133,224	\$ 331,163	\$ 2,710,439
Other Operating Revenues	152,396	-	-	152,396
Total Operating Revenues	<u>1,398,448</u>	<u>1,133,224</u>	<u>331,163</u>	<u>2,862,835</u>
OPERATING EXPENSES:				
System Operations:				
Salaries	185,452	210,579	92,560	488,591
Payroll Taxes	15,466	16,676	7,342	39,484
Employee Benefits	66,858	61,714	32,872	161,444
Utilities	96,703	104,509	-	201,212
Operating Supplies	52,506	32,073	7,683	92,262
Non-Capitalized Outlay/Repairs	469,294	51,562	-	520,856
Repairs and Maintenance	239,402	218,251	38,117	495,770
System Component Upgrades	28,396	-	-	28,396
Water Purchase	34,519	-	-	34,519
Landfill Fees	-	-	86,649	86,649
Eagle River Monitoring	9,000	-	-	9,000
Depreciation	544,138	387,090	58,101	989,329
Miscellaneous	8,716	883	-	9,599
Total System Operations	<u>1,750,450</u>	<u>1,083,337</u>	<u>323,324</u>	<u>3,157,111</u>
Administration:				
Salaries	95,426	71,704	38,674	205,804
Payroll Taxes	7,396	5,549	2,968	15,913
Employee Benefits	18,181	13,524	8,253	39,958
Office and Billing	12,402	12,402	12,403	37,207
Dues and Permits	35	365	-	400
Professional Services	250,423	25,485	-	275,908
Miscellaneous	3,171	80	-	3,251
Total Administration	<u>387,034</u>	<u>129,109</u>	<u>62,298</u>	<u>578,441</u>
Total Operating Expenses	<u>2,137,484</u>	<u>1,212,446</u>	<u>385,622</u>	<u>3,735,552</u>
Operating Income (Loss)	<u>(739,036)</u>	<u>(79,222)</u>	<u>(54,459)</u>	<u>(872,717)</u>
NON-OPERATING REVENUES (EXPENSES):				
Tap Fees	745,680	776,895	-	1,522,575
Developer Contributions	837,517	665,327	-	1,502,844
Dedication Fees	469,596	-	-	469,596
Interest Income	2,167	1,696	42	3,905
Interest Expense	(85,072)	-	-	(85,072)
Total Non-Operating Revenues (Expenses)	<u>1,969,888</u>	<u>1,443,918</u>	<u>42</u>	<u>3,413,848</u>
Income (Loss) Before Contributions & Transfers	1,230,852	1,364,696	(54,417)	2,541,131
Transfers In (Out)	-	106,000	-	106,000
Change in Net Position	1,230,852	1,470,696	(54,417)	2,647,131
Net Position – Beginning	<u>38,158,474</u>	<u>16,752,248</u>	<u>403,203</u>	<u>55,313,925</u>
Net Position – Ending	<u>\$ 39,389,326</u>	<u>\$18,222,944</u>	<u>\$ 348,786</u>	<u>\$ 57,961,056</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Sanitation Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from Customers	\$ 1,417,495	\$ 1,114,609	\$ 331,907	\$ 2,864,011
Cash Payments for Goods and Services	(1,253,962)	(498,227)	(196,326)	(1,948,515)
Cash Payments to Employees	(290,312)	(280,240)	(129,668)	(700,220)
Net Cash Provided (Used) by Operating Activities	<u>(126,779)</u>	<u>336,142</u>	<u>5,913</u>	<u>215,276</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Tap Fees	806,480	799,295	-	1,605,775
Additions to Property, Plant & Equipment	(12,541)	(184,285)	-	(196,826)
Water Dedication Fees	469,596	-	-	469,596
Transfers In (Out)	-	106,000	-	106,000
Principal (Paid) on Long-term Debt	(180,016)	-	-	(180,016)
Interest (Paid) on Long-term Debt	(85,267)	-	-	(85,267)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>998,252</u>	<u>721,010</u>	<u>-</u>	<u>1,719,262</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest	2,167	1,696	42	3,905
Net Cash Provided (Used) by Investing Activities	<u>2,167</u>	<u>1,696</u>	<u>42</u>	<u>3,905</u>
Net Increase (Decrease) in Cash and Cash Equivalents	873,640	1,058,848	5,955	1,938,443
Cash at Beginning of Year	<u>4,936,493</u>	<u>3,787,142</u>	<u>103,974</u>	<u>8,827,609</u>
Cash at End of Year	<u>\$ 5,810,133</u>	<u>\$ 4,845,990</u>	<u>\$ 109,929</u>	<u>\$ 10,766,052</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ (739,036)	\$ (79,222)	\$ (54,459)	\$ (872,717)
Non-Cash Expenses Included in Operating Income –				
Depreciation & Amortization	544,138	387,090	58,101	989,329
Other Deferred Cost Recognition	7,400	-	-	7,400
Change in Assets and Liabilities –				
Decrease (Increase) Receivables	19,047	(18,615)	744	1,176
Increase (Decrease) in Accounts Payable	51,106	44,846	(39)	95,913
Increase (Decrease) in Accrued Liabilities	(9,434)	2,043	1,566	(5,825)
Increase (Decrease) in Unearned Service Revenues	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (126,779)</u>	<u>\$ 336,142</u>	<u>\$ 5,913</u>	<u>\$ 215,276</u>
NON-CASH FINANCING ACTIVITY:				
Infrastructure Dedications Accepted	<u>\$ 837,517</u>	<u>\$ 665,327</u>	<u>\$ -</u>	<u>\$ 1,502,844</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
For the Year Ended December 31, 2021

	AGENCY FUNDS	
	Gypsum Recreation Center Capital Committee	Total Agency Funds
<u>ASSETS:</u>		
Cash	\$ 339,331	\$ 339,331
Total Assets	\$ 339,331	\$ 339,331
<u>LIABILITIES:</u>		
Due to Town of Gypsum Funds Held on Behalf of Entity	\$ 93,337 245,994	\$ 93,337 245,994
Total Liabilities	\$ 339,331	\$ 339,331

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUND – GYPSUM RECREATION CENTER CAPITAL COMMITTEE
For the Year Ended December 31, 2021

Gypsum Recreation Center Capital Committee

	<u>Actual</u>
<u>ADDITIONS:</u>	
Contributions from Town of Gypsum	\$ 50,000
Contributions from WECMRD	50,000
Total Additions	100,000
<u>DEDUCTIONS:</u>	
Capital Repairs & Maintenance	36,957
Total Deductions	36,957
Net Change in Fiduciary Funds Held on Behalf of Entity	63,043
Beginning Fiduciary Funds Held on Behalf of Entity	182,951
Ending Fiduciary Funds Held on Behalf of Entity	\$ 245,994

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

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

GOVERNMENTAL FUNDS

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

Special Revenue Funds

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

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

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

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

American Rescue Fund is a special revenue fund used to account for State and Local Fiscal Recovery Funds received from the U.S. Treasury to support the Town in response to the economic and public health impacts of COVID-19 alongside efforts to contain impacts on communities, residents and businesses.

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

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

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

The Town legally adopted annual budgets for all of the Town's funds for 2021.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

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

	<u>Original</u>	<u>Revised</u>	Increase (Decrease)
General Fund	\$ 10,609,401	\$ 10,173,813	\$ (435,588)
Conservation Trust Fund	-	-	-
Parks and Recreation Fund	1,529,417	1,802,484	273,067
Water Fund	4,091,875	3,615,775	(476,100)
Sewer Fund	3,789,412	1,326,264	(2,463,148)
Sanitation Fund	379,360	348,324	(31,036)
Highway 6 Devolution Fund	-	-	-
American Rescue Fund	-	-	-

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

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

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Water Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 1,240,000	\$ 1,398,448	\$ 158,448
GAAP Non-Operating Revenues	3,075,066	2,054,960	(1,020,106)
GAAP Capital Contributions	-	-	-
Less Developer Contributions	-	(837,517)	(837,517)
Total Budgetary Based Revenues	<u>\$ 4,315,066</u>	<u>\$ 2,615,891</u>	<u>\$ (1,699,175)</u>
Expenses			
GAAP Operating Expenses	\$ 2,877,941	\$ 2,137,484	\$ 740,457
GAAP Non-Operating Expenses	85,259	85,072	187
Capital Outlay	472,550	12,541	460,009
Debt Retirement	180,025	180,017	8
Accrued Interest	-	194	(194)
Amortization of Prepaid Water Lease	-	(7,400)	7,400
Depreciation	-	(544,138)	544,138
Total Budgetary Based Expenses	<u>\$ 3,615,775</u>	<u>\$ 1,863,770</u>	<u>\$ 1,752,005</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Sewer Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 1,115,375	\$ 1,133,224	\$ 17,849
GAAP Non-Operating Revenues	1,028,420	1,443,918	415,498
Less Developer Contributions	-	(665,327)	(665,327)
Transfer In(Out)	<u>106,000</u>	<u>106,000</u>	<u>-</u>
Total Budgetary Based Revenues	<u>\$ 2,249,795</u>	<u>\$ 2,017,815</u>	<u>\$ (231,980)</u>
Expenses:			
GAAP Operating Expenses	\$ 872,514	\$ 1,212,446	\$ (339,932)
Capital Outlay	453,750	184,285	269,465
Depreciation	<u>-</u>	<u>(387,090)</u>	<u>387,090</u>
Total Budgetary Based Expenses	<u>\$ 1,326,264</u>	<u>\$ 1,009,641</u>	<u>\$ 316,623</u>
<u>Sanitation Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 325,000	\$ 331,163	\$ 6,163
GAAP Non-Operating Revenues	<u>70</u>	<u>42</u>	<u>(28)</u>
Total Budgetary Based Revenues	<u>\$ 325,070</u>	<u>\$ 331,205</u>	<u>\$ 6,135</u>
Expenses:			
GAAP Operating Expenses	\$ 348,324	\$ 385,622	\$ (37,298)
GAAP Non-Operating Expenses	-	-	-
Depreciation	<u>-</u>	<u>(58,101)</u>	<u>58,101</u>
Total Budgetary Based Expenses	<u>\$ 348,324</u>	<u>\$ 327,521</u>	<u>\$ 20,803</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

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

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

G. Inventories

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

H. Capital Assets/Depreciation

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

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

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

I. Customer Accounts Receivable

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- J. Property Taxes Receivable and Deferred Inflows-Unavailable Property Tax Revenues
Property taxes in the State of Colorado are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded in the accompanying financial statements as a receivable and as deferred inflow of resources. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes to be collected are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.
- K. Proprietary Funds – Unearned Revenue
Unearned revenue in the Water Fund arises from prepaid tap and water dedication fees for which the requirements for revenue recognition have not been met.
- L. Proprietary Funds – Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Town, these revenues are charges for utility services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.
- M. Proprietary Funds – Contributed Capital
Grants and contributions in the enterprise funds which may be used for either operations or capital expenditures at the discretion of the Town are recognized as non-operating revenues. If expenditure of funds is the prime factor for determining eligibility for contributed funds, revenue or contributed capital is recognized at the time of making the expenditure.
- N. Compensated Absences
The Town's policy is to permit employees to accumulate a limited amount of earned but unused vacation and sick leave which will be paid upon separation from Town service, with vacation paid at 100% for all employees and sick leave paid at 50% for employees who have attained five years of service with a maximum payout of 160 hours.

The Town has accrued a liability for sick and vacation pay that has been earned but not taken by Town employees. For governmental funds the liability for compensated absences is in the Statement of Net Positions but not the Fund Statements since it is anticipated that none of the liability will be liquidated with expendable available financial resources. The liability for compensated absences has been accrued in the proprietary funds.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Inter-fund Transactions

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

P. Internal Balances

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

Q. Net Position and Fund Balances

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

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position and Fund Balances - continued

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

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

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

Enhancement Fund – Amounts on deposit received from Holy Cross Energy, *restricted* for use in beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events and grounding of overhead electric and other utility lines. At December 31, 2021 a total of \$182,417 was restricted in the General Fund for this purpose.

Conservation Trust – Amounts on deposit received from lottery monies from the State of Colorado *restricted* for use in the acquisition, development and maintenance of new conservation and recreation sites pursuant to Colorado Revised Statutes. At December 31, 2021 \$119,985 was restricted in the Conservation Trust Fund.

Debt Service – Amounts on deposit *restricted* for future debt service in accordance CWCB intergovernmental loan and 2005 bond issue agreement. At December 31, 2021 amounts restricted for Debt Service were \$16,519 in the Water Fund.

Emergency Reserves – As discussed in *Note 12*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures. These funds may only be expended in cases of emergencies as defined by the amendment, and are used to fund appropriations only after unrestricted resources are depleted. Total Emergency Reserves at December 31, 2021 were \$287,000.

Highway 6 Devolution – Amounts on deposit received from the Colorado Department of Transportation for the use in maintaining 5.7 miles of Highway 6 within the Town Limits. At December 31, 2021 \$10,601,530 was restricted in the Highway 6 Devolution Fund.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position and Fund Balances - continued

Governmental fund balances - *continued*:

Restricted – continued:

Capital Projects – Amounts on deposit received from local developers for future construction of infrastructure assets located within the Town’s limits. At December 31, 2021 \$195,287 was restricted for this purpose.

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

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

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

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

Unassigned – the residual for the General Fund, Parks and Recreation Fund and American Rescue Fund.

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

R. Use of Estimates

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

S. Fair Value Measurements

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS

A. Deposits and Investments

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

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

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS (continued)

A. Deposits and Investments (continued)

The Town's bank deposits were entirely covered by federal depository insurance (FDIC) or collateralized under PDPA in accordance with state statute, and had bank balances of \$12,206,269 of which \$512,981 was covered by FDIC insurance and \$11,693,288 by PDPA as described above.

Local Government Investment Pool (ColoTrust)

As of December 31, 2021, the Town had invested \$27,552,742 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2021, the Town had \$0 invested in COLOTRUST PRIME, and \$27,552,742 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS (continued)

B. Total Cash and Cash Equivalents

A summary of the Town's cash and cash equivalents at December 31, 2021 (inclusive of Agency Funds) are classified below:

Checking/Money Market	\$ 12,206,269
Local Government Investment Pools	<u>27,552,742</u>
Total Balances	39,759,011
Cash on Hand	1,350
Net Outstanding Items	<u>(1,656,315)</u>
Total Cash and Cash Equivalents	<u>\$ 38,104,046</u>

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

Governmental Activities	\$ 26,998,663
Business Type Activities	10,766,052
Fiduciary Activities	<u>339,331</u>
Total Cash and Cash Equivalents	<u>\$ 38,104,046</u>

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colotrust (Local Govt Investment Pool)	\$ 27,552,742	AAAm	Standard & Poors

C. Risk Disclosures

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

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS (continued)

C. Risk Disclosures – (continued)

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

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

The Town was not subject to foreign currency risk as of December 31, 2021.

D. Restricted Cash

At December 31, 2021 the Town’s had restricted cash balances as follows:

Governmental Activities

General Fund:

Enhancement Fund	182,417
Capital Projects	<u>195,287</u>
Total General Fund	<u>377,704</u>

Special Revenue Fund:

Conservation	119,895
Highway 6 Devolution	<u>10,601,530</u>
Total Special Revenue Fund Restricted Cash	<u>10,721,425</u>

Total Governmental Activities \$ 11,099,129

Business-type Activities

Water Fund:

Colorado Conservation Water Board Loan	<u>\$ 16,519</u>
Total Water Fund Restricted Cash	<u>16,519</u>

Total Business-type Activities \$ 16,519

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 - CAPITAL ASSETS

Governmental Activities:

Capital asset activity for Governmental Activities for the year ended December 31, 2021 as follows:

	Balances 01/01/21	Additions	Reductions	Balances 12/31/21
<i>GOVERNMENTAL ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 7,493,797	\$ 30,743	\$ -	\$ 7,524,540
Construction-in-Progress	52,167	119,362	-	171,529
Depreciable Capital Assets:				
Buildings	19,441,156	-	-	19,441,156
Improvements	4,248,300	-	-	4,248,300
Heavy Equipment	3,441,100	531,077	(20,621)	3,951,556
Office Equipment	767,639	-	(4,532)	763,107
Ballfields	661,726	-	-	661,726
Infrastructure	53,953,595	534,086	-	54,487,681
Total at Historical Cost	90,059,480	1,215,268	(25,153)	91,249,595
<i>Less Accumulated Depreciation:</i>				
Buildings	(6,947,037)	(481,816)	-	(7,428,853)
Improvements	(1,938,997)	(175,461)	-	(2,114,458)
Heavy Equipment	(2,856,196)	(244,109)	20,621	(3,079,684)
Office Equipment	(680,493)	(39,686)	4,532	(715,647)
Ballfields	(442,468)	(22,204)	-	(464,672)
Infrastructure	(25,641,375)	(2,434,382)	-	(28,075,757)
Total Accum. Depreciation	(38,506,566)	(3,397,658)	25,153	(41,879,071)
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 51,552,914	\$ (2,182,390)	\$ -	\$ 49,370,524

Increases in fixed assets were the result of the Town purchasing of several heavy equipment maintenance units. These units include a rough mower, seeder, sweeper and vehicles. Infrastructure assets included assets conveyed to the Town from local developers.

For the fiscal year ending December 31, 2021, depreciation expense for governmental activities of \$3,397,658 has been included in the various functions on the statement of activities as follows:

General Government	\$ 77,386
Community Development	30,142
Public Safety	28,351
Streets and Public Works	2,629,102
Culture and Recreation	632,677
Total Governmental Depreciation	\$ 3,397,658

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 - CAPITAL ASSETS (continued)

Business-type Activities:

Capital asset activity for Business-Type Activities for the year ended December 31, 2021, was as follows:

	Balances 01/01/21	Additions	Reductions	Balances 12/31/21
<i>BUSINESS-TYPE ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 213,990	\$ -	\$ -	\$ 213,990
Water Rights/Rights-of-Way	13,737,121	-	-	13,737,121
Work-in-Progress	-	107,743	-	107,743
Depreciable Capital Assets:				
Buildings	110,000	-	-	110,000
Equipment & Furniture	2,068,275	25,083	-	2,093,358
Lines, Meters, Plant	49,223,455	1,566,845	-	50,790,300
Total at Historical Cost	<u>65,352,841</u>	<u>1,699,671</u>	<u>-</u>	<u>67,052,512</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(60,500)	(2,750)	-	(63,250)
Equipment & Furniture	(1,647,687)	(105,854)	-	(1,753,541)
Lines, Meters, Plant	(14,239,753)	(880,725)	-	(15,120,478)
Total Accum. Depreciation	<u>(15,947,940)</u>	<u>(989,329)</u>	<u>-</u>	<u>(16,937,269)</u>
<i>BUSINESS-TYPE ACTIVITIES</i>				
CAPITAL ASSETS, NET	<u>\$ 49,404,901</u>	<u>\$ 710,342</u>	<u>\$ -</u>	<u>\$ 50,115,243</u>

Business type activities lines, meters and plant increased with addition of developer conveyed infrastructure assets. The Town's works in progress include engineering costs related to the future construction of a waste water treatment plant.

For the fiscal year ending December 31, 2021, depreciation expense of \$989,328 for business-type activities has been included in the various functions on the statement of activities as follows:

Water Utility	\$ 544,138
Sewer Utility	387,090
Sanitation Utility	58,101
Total Business-type Depreciation	<u>\$ 989,329</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - LONG-TERM OBLIGATIONS

Changes in the Town's long-term obligations during the fiscal year ended December 31, 2021 are as follows:

	Balances 01/01/21	Additions	Reductions	Balances 12/31/21	Amounts Due Within One Year
<i>GOVERNMENTAL ACTIVITIES</i>					
<u>Notes/Leases:</u>					
Lease Purchase	\$ 1,614,450	\$ -	\$ (161,966)	\$ 1,452,484	\$ 165,573
Yamaha Finance	<u>281,791</u>	<u>-</u>	<u>(33,033)</u>	<u>248,758</u>	<u>34,682</u>
<i>GOVERNMENTAL LONG-TERM OBLIGATIONS</i>					
	<u>\$ 1,896,241</u>	<u>\$ -</u>	<u>\$ (194,999)</u>	<u>\$ 1,701,242</u>	<u>\$ 200,255</u>

Total compensated absences for governmental activities, consisting of accrued vacation and sick pay, in the amount of \$307,329 have been accrued on the financial statements and are not anticipated to be satisfied in the current period.

	Balances 01/01/21	Additions	Reductions	Balances 12/31/21	Amounts Due Within One Year
<i>BUSINESS-TYPE ACTIVITIES</i>					
<u>Notes/Leases:</u>					
Lease Purchase	\$ 213,298	\$ -	\$ (21,398)	\$ 191,900	\$ 21,875
CWCB Loan	943,416	-	(122,673)	820,743	-
CWRPDA Loan	<u>1,508,133</u>	<u>-</u>	<u>(35,945)</u>	<u>1,472,188</u>	<u>36,849</u>
<i>BUSINESS-TYPE LONG-TERM OBLIGATIONS</i>					
	<u>\$ 2,664,847</u>	<u>\$ -</u>	<u>\$ (180,016)</u>	<u>\$ 2,484,831</u>	<u>\$ 58,724</u>

Total compensated absences for business-type activities, consisting of accrued vacation and sick pay, in the amount of \$88,542 has been accrued on the financial statements and are not anticipated to be satisfied in the current period.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Governmental Activities:

A. Financing Lease - Series 2017 Lease Purchase Refunding Loan

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

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

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

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

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 165,573	\$ 36,312	\$ 201,885
2023	169,050	32,173	201,223
2024	172,393	27,947	200,340
2025	180,015	23,637	203,652
2026	182,970	19,136	202,106
2027-2029	<u>582,482</u>	<u>29,358</u>	<u>611,840</u>
Total Lease Purchase Payable – Governmental Activities	<u>\$ 1,452,483</u>	<u>\$ 168,563</u>	<u>\$ 1,621,046</u>

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Governmental Activities (continued):

B. Lease Payable – Yamaha Motor Corporation, Inc.

The Town entered into a lease purchase agreement effective November 19, 2019 in the amount of \$315,133 with Yamaha Motor Corporation, Inc., subject to annual appropriation, interest rate of 4.88% with (61) monthly payments of \$7,700 until October 2024 and a lump payment of \$140,000 in November 2024. Payments are scheduled during golf course operating months of May through October. (12-month payment period). Expenditures for payments made on this lease are reflected as lease expense for golf course operations in the Parks and Recreation Fund. The rent expense for 2021 amounted to \$46,620. The annual requirements to amortize the Governmental Activities portion of the Yamaha Motor Corporation, Inc. debt are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 34,682	\$ 11,938	\$ 46,620
2023	36,413	10,207	46,620
2024	<u>177,663</u>	<u>8,957</u>	<u>186,620</u>
Total Lease Purchase Payable – Governmental Activities	\$ <u>248,758</u>	\$ <u>31,102</u>	\$ <u>279,860</u>

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Business-Type Activities:

A. Intergovernmental Loans - CWCB

The Town entered into a loan agreement dated July 14, 2009 between the Department of Natural Resources Colorado Water Conservation Board (CWCB) and the Town of Gypsum Water Activity Enterprises for the reconstruction of the LEDE Ditch & Reservoir. The Colorado Water Conservation Board has approved a loan with a maximum amount of \$2,689,731 for up to 90% of the project costs with a 1% loan service charge and interest at 4.50% per annum. The repayment term is 30 years. The total loan amounted to \$2,689,731 secured by water user charges and fees. The loan is a 30-year loan maturing January 1, 2047 and is payable in annual installments (beginning January 1, 2018) of \$165,127. As part of the debt covenants a reserve account in the amount of one – tenth the annual payment (\$16,519) has been created. In July 2021 the Town elected to retire \$1,528,650 of this obligation early using debt proceeds from the financing of the Hydro Electric Plant (see CWRPDA loan). The early payoff resulted in interest savings of \$1,608,758. The obligation is carried in the Water Utility Enterprise business type activity at \$820,743 as of December 31, 2021. The Town’s annual debt service is as follows:

Year Ending December 31	Principal	Interest	Total
2022	\$ -	\$ -	\$ -
2023	128,193	36,933	165,127
2024	133,962	31,165	165,127
2025	139,990	25,136	165,127
2026	146,290	18,837	165,126
2027-2028	<u>272,308</u>	<u>57,946</u>	<u>330,253</u>
	<u>\$ 820,743</u>	<u>\$ 170,017</u>	<u>\$ 990,760</u>

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

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

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

Year Ending December 31	Principal	Interest	Total
2022	\$ 21,875	\$ 4,797	\$ 26,673
2023	22,335	4,250	26,585
2024	22,777	3,693	26,469
2025	23,783	3,123	26,906
2026	24,174	2,528	26,702
2027-2029	<u>76,956</u>	<u>3,879</u>	<u>80,835</u>
Total Lease Purchase Payable – Business-type Activities	<u>\$ 191,900</u>	<u>\$ 22,270</u>	<u>\$ 214,170</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Business-type Activities (continued):

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

The Town entered into a loan agreement dated May 1, 2020 between the Colorado Water Resources and Power Development Authority (CWRPDA) and the Town of Gypsum Water Activity Enterprises for construction of the Hydro Electric Power generating system along Gypsum Creek. The approved loan in the amount of \$1,528,650 carries an interest rate of 2.50% per annum and a repayment term of 30 years. The loan matures in 30-years on November 1, 2049 and is payable in semi-annual installments beginning May 1, 2020, with annual payments totaling \$73,425. The obligation is carried in the Water Utility Enterprise business type activity with a balance of \$1,472,188 as of December 31, 2021. The Town's annual debt service is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 36,849	\$ 36,576	\$ 73,425
2023	37,776	35,649	73,425
2024	38,727	34,699	73,426
2025	39,701	33,724	73,425
2026	40,699	32,726	73,425
2027-2031	219,380	147,745	367,125
2032-2036	248,398	118,727	367,125
2037-2041	281,253	85,872	367,125
2042-2046	318,455	48,670	367,125
2047-2049	<u>210,950</u>	<u>9,325</u>	<u>220,275</u>
Total Loan Payable – Business Type Activities	<u>\$ 1,472,188</u>	<u>\$ 583,713</u>	<u>\$ 2,055,901</u>

NOTE 5 - OPERATING LEASE COMMITMENTS

A. The Town leases copiers from Xerox Financial Services, Inc., subject to annual appropriation, under a sixty-month operating lease. Monthly payments are \$1,355, the lease expires January 28, 2024. Rent expense amounted to \$16,260 during 2021. Future minimum lease payments of the Town's long-term operating lease are as follows:

2022	\$ 16,260
2023	16,260
2024	<u>1,355</u>
Total	<u>\$ 33,875</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 - DEFERRED COMPENSATION PLAN

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

NOTE 7 - MONEY PURCHASE PENSION PLAN

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

Full-time employees become eligible after six months of service with the Town and are required, as a condition of employment, to participate in the Plan immediately upon eligibility. Through payroll withholdings remitted to CCOERA, employees contribute 7% of regular compensation which totaled \$184,743 during the year. The Town contributes a matching 7% of eligible compensation which was \$184,743 during the current fiscal year. Total covered payroll for the year subject to participation was \$2,639,182 compared to total payroll of \$3,458,055. Participants are 33 1/3% vested in employer contributions each year with 100% vesting after three years. The Town has no other liability under the plan.

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

NOTE 8 - COMMITMENTS

- A. Cost Recovery Agreements Water and Sewer Taps – The Town has entered into subdivision improvement agreements with various land developers. Some of the agreements contain provisions that provide for payments to the developers for portions of water and sewer tap fees that will be collected by the Town. No obligations exist and a liability is not recorded until the Town actually collects the tap fees.
- B. During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives consider the majority of claims or assertions to be without merit and believe the outcome will not materially affect the fairness of the presentation of the financial statements at December 31, 2021.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - RISK MANAGEMENT

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

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

There is no current or long-term debt outstanding and the above liabilities include reserves for incurred claims and an estimated liability for incurred but not reported claims at December 31, 2021. No claim or judgment liability has been recorded in the Town's financial statements as the risk of liability is pooled with other members under CIRSA. The Town's settled claims have not exceeded their insurance coverage in any of the last three years. Additional information may be obtained from separately issued CIRSA financial statements by contacting CIRSA at 950 South Cherry Street, Suite 800, Denver, CO 80246 or (303) 757-5475.

NOTE 10- INTERGOVERNMENTAL AGREEMENTS

Gypsum Community Recreation Center Agreement

The Town and Mountain Recreation District entered into an agreement for the construction, ownership and operation of a community recreation facility located in Gypsum, Colorado. The District is responsible for the operation and maintenance of the community recreation center and the Town retains full fee simple title to the community center and community center site. In 2021, the Recreation Center encountered a deficit in operations; therefore, as stated in the agreement, a contribution equal to one-half of the operating deficit, \$135,627 has been accrued and will be paid to the District for the fiscal year ended December 31, 2021, the expenditure is reflected in the General Fund.

NOTE 11 - COMPLIANCE

A. TABOR Amendment

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 - COMPLIANCE (continued)

A. TABOR Amendment – continued

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding voter approved debt service). The required reserve at December 31, 2021 is \$287,000.

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

B. Colorado Water Conservation Board Loan Covenants

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

C. Aviation Fuel Sales Tax

The Aviation Fuel Tax Calculation Report and tracking of related revenue and expenditures has been prepared by management and is in compliance with the FAA Revenue Use Policy. No liabilities exist at December 31, 2021.

D. Contraband

The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses the accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2021 no such proceeds were received by the Town and as such are not included in the Town’s audited financial statements.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2021 through the issuance date of this report.

In early 2020 a worldwide pandemic arose caused by the coronavirus Covid-19 which has impacted the general operations of the Town. The Town’s management and Town Council has acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor’s report.

There have been no additional material events noted during this period that would impact the result reflected in this report or the Town’s results going forward.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (“GASB”) issued new lease accounting standards under GASB Statement No. 87 to align comparability of financial statements between organizations.

Under the standards there will be three categories of leases: 1) *Short-term Leases* of 12 months or less, including any options to extend regardless of their probability of being exercised, which will be accounted for similarly to operating leases with payments recorded as expenses to the lessee (or revenues to the lessor); 2) *Contracts that Transfer Ownership* with the underlying asset transferring ownership to the lessee by the end of the contract which will be accounted for as a finance purchase of the underlying asset by the lessee (or a sale of the asset by the lessor); and 3) *All Other Leases* will be considered financing leases which will be accounted for by the lessee as an intangible right-to-use lease asset with corresponding lease liability amortized over the shorter of the lease term or the useful life of the underlying asset (or by lessors as a lease receivable and deferred inflow of resources measured at the present value of lease payments expected to be received during the lease term less any incentives received from the lessor at or before the commencement of the lease term.

The Covid pandemic has previously delayed implementation of this standard to years beginning after June 15, 2021; therefore, the Town will be required to implement the standard for its calendar year ending December 31, 2022.

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Taxes	\$ 8,681,358	\$ 11,163,596	\$ 11,641,650	\$ 478,054
Licenses and Permits	73,000	82,000	63,821	(18,179)
Intergovernmental	364,778	400,900	489,221	88,321
Charges for Services	58,300	68,600	70,253	1,653
Community Development	412,605	1,125,369	1,346,539	221,170
Miscellaneous	187,930	851,999	1,367,399	515,400
Interest	40,000	7,000	4,908	(2,092)
	<u>9,817,971</u>	<u>13,699,464</u>	<u>14,983,791</u>	<u>1,284,327</u>
<u>Expenditures:</u>				
General Government	2,088,263	2,121,370	1,787,333	334,037
Community Development	1,142,953	1,162,698	1,008,309	154,389
Public Safety	1,155,105	1,155,105	1,153,160	1,945
Streets and Public Works	2,809,762	2,169,493	2,082,739	86,754
Culture and Recreation	1,618,208	1,331,224	1,092,140	239,084
Economic Development	295,200	300,200	160,195	140,005
Capital Outlay	879,910	1,217,723	872,446	345,277
	<u>9,989,401</u>	<u>9,457,813</u>	<u>8,156,322</u>	<u>1,301,491</u>
Excess Revenues Over (Under) Expenditures	(171,430)	4,241,651	6,827,469	2,585,818
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) Other Funds	(620,000)	(716,000)	(716,000)	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(791,430)	3,525,651	6,111,469	2,585,818
Fund Balances – Beginning	<u>5,545,020</u>	<u>7,010,857</u>	<u>7,508,812</u>	<u>497,955</u>
Fund Balances – Ending	<u>\$ 4,753,590</u>	<u>\$ 10,536,508</u>	<u>\$ 13,620,281</u>	<u>\$ 3,083,773</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental	\$ 41,000	\$ 41,000	\$ 46,044	\$ 5,044
Interest	<u>400</u>	<u>50</u>	<u>34</u>	<u>(16)</u>
Total Revenues	<u>41,400</u>	<u>41,050</u>	<u>46,078</u>	<u>5,028</u>
<u>Expenditures:</u>				
Culture and Recreation:				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	41,400	41,050	46,078	5,028
Fund Balances – Beginning	<u>76,863</u>	<u>73,816</u>	<u>73,817</u>	<u>1</u>
Fund Balances – Ending	<u>\$ 118,263</u>	<u>\$ 114,866</u>	<u>\$ 119,895</u>	<u>\$ 5,029</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND - PARKS AND RECREATION FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Charges for Services	\$ 1,019,500	\$ 1,177,458	\$ 1,204,813	\$ 27,355
Interest	<u>800</u>	<u>100</u>	<u>70</u>	<u>(30)</u>
Total Revenues	<u>1,020,300</u>	<u>1,177,558</u>	<u>1,204,883</u>	<u>27,325</u>
<u>Expenditures:</u>				
Golf Course Operations	1,215,890	1,411,557	1,348,222	63,335
Capital Outlay	111,200	188,600	152,567	36,033
Debt Service:				
Principal	161,966	161,966	161,966	-
Interest	<u>40,361</u>	<u>40,361</u>	<u>40,361</u>	<u>-</u>
Total Expenditures	<u>1,529,417</u>	<u>1,802,484</u>	<u>1,703,116</u>	<u>99,368</u>
Excess Revenues Over (Under) Expenditures	(509,117)	(624,926)	(498,233)	126,693
<u>Other Financing Sources and (Uses):</u>				
Transfer from Other Funds	<u>514,000</u>	<u>610,000</u>	<u>610,000</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,883	(14,926)	111,767	126,693
Fund Balances – Beginning	<u>91,322</u>	<u>250,978</u>	<u>271,800</u>	<u>20,822</u>
Fund Balances – Ending	<u>\$ 96,205</u>	<u>\$ 236,052</u>	<u>\$ 383,567</u>	<u>\$ 147,515</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – HIGHWAY 6 DEVOLUTION
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Interest	\$ 46,000	\$ 6,500	\$ 4,226	\$ (2,274)
Total Revenues	<u>46,000</u>	<u>6,500</u>	<u>4,226</u>	<u>(2,274)</u>
<u>Expenditures:</u>				
Repairs and Maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	46,000	6,500	4,226	(2,274)
 Fund Balances – Beginning	 <u>10,545,256</u>	 <u>10,597,305</u>	 <u>10,597,304</u>	 <u>-</u>
Fund Balances – Ending	<u>\$ 10,591,256</u>	<u>\$ 10,603,805</u>	<u>\$ 10,601,530</u>	<u>\$ (2,274)</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – AMERICAN RESCUE FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Grant Revenue	\$ -	\$ 926,852	\$ -	\$ (926,852)
Interest	<u>-</u>	<u>250</u>	<u>7</u>	<u>(243)</u>
Total Revenues	<u>-</u>	<u>927,102</u>	<u>7</u>	<u>(927,095)</u>
<u>Expenditures:</u>				
Repairs and Maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	-	927,102	7	(927,095)
Fund Balances – Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances – Ending	<u>\$ -</u>	<u>\$ 927,102</u>	<u>\$ 7</u>	<u>\$ (927,095)</u>

SUPPLEMENTAL INFORMATION

GOVERNMENTAL FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES & OTHER FINANCING SOURCES:				
GENERAL GOVERNMENT:				
<u>Taxes</u>				
General Property	\$ 791,358	\$ 791,596	\$ 800,585	\$ 8,989
Specific Ownership	40,000	40,000	43,376	3,376
Franchise	270,000	270,000	272,893	2,893
Sales and Use	6,230,000	7,812,000	8,105,111	293,111
Real Estate Transfer	800,000	1,700,000	1,922,774	222,774
Cigarette	550,000	550,000	496,911	(53,089)
TOTAL TAXES	8,681,358	11,163,596	11,641,650	478,054
<u>Licenses and Permits</u>				
Liquor and Business	73,000	82,000	63,821	(18,179)
TOTAL LICENSES AND PERMITS	73,000	82,000	63,821	(18,179)
<u>Intergovernmental Revenues</u>				
Highway Users Tax	219,778	255,900	339,437	83,537
County Road and Bridge Tax	105,000	105,000	106,680	1,680
Motor Vehicle Tax	40,000	40,000	43,104	3,104
TOTAL INTERGOVERNMENTAL	364,778	400,900	489,221	88,321
<u>Administrative Charges</u>				
Reimbursements and Rentals	8,100	8,400	5,993	(2,407)
Miscellaneous Admin Charges	50,200	60,200	64,260	4,060
TOTAL ADMINISTRATIVE CHARGES	58,300	68,600	70,253	1,653
COMMUNITY DEVELOPMENT:				
Variance and Subdivision	14,250	41,250	42,423	1,173
Building Permits	271,845	492,835	506,233	13,398
Impact fees	36,510	256,284	255,566	(718)
Reimbursed Professional Fees	30,000	25,000	28,080	3,080
Capital Contribution	-	250,000	450,948	200,948
Community Enhancement Fund	60,000	60,000	63,289	3,289
TOTAL COMMUNITY DEV CHARGES	412,605	1,125,369	1,346,539	221,170
MISCELLANEOUS REVENUES:				
Municipal Court - Violations	40,100	56,635	60,939	4,304
Special Events	94,300	134,486	125,221	(9,265)
Miscellaneous	53,530	142,878	144,817	1,939
Sale of Fixed Assets	-	518,000	1,036,422	518,422
Interest Income	40,000	7,000	4,908	(2,092)
TOTAL MISC/OTHER REVENUES	227,930	858,999	1,372,307	513,308
OTHER FINANCING SOURCES:				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 9,817,971	\$ 13,699,464	\$ 14,983,791	\$ 1,284,327

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES AND OTHER FINANCING USES:				
GENERAL GOVERNMENT:				
Salaries	\$ 673,738	\$ 673,738	\$ 650,264	\$ 23,474
Payroll Taxes	53,211	53,211	49,512	3,699
Employee Benefits	181,418	181,461	145,153	36,308
Office Supplies	12,000	12,000	9,385	2,615
Utilities and Telephone	78,629	85,600	83,276	2,324
Professional Services	510,566	490,000	340,415	149,585
Auto and Travel	3,000	3,000	2,560	440
Equipment and Ground Maintenance	63,388	106,000	98,006	7,994
Professional Development	14,500	14,500	6,813	7,687
Dues and Subscriptions	22,182	22,182	18,144	4,038
Economic and Public Relations	10,000	10,000	11,510	(1,510)
Publications	6,000	6,000	5,267	733
Insurance	218,681	218,681	207,559	11,122
Community Support/Contributions	104,030	104,030	63,972	40,058
County Treasurer's Fees	23,820	23,820	19,660	4,160
Miscellaneous	113,100	117,147	75,837	41,310
TOTAL GENERAL GOVERNMENT	<u>2,088,263</u>	<u>2,121,370</u>	<u>1,787,333</u>	<u>334,037</u>
COMMUNITY DEVELOPMENT:				
Salaries	684,177	684,177	660,146	24,031
Payroll Taxes	54,400	54,400	50,802	3,598
Employee Benefits	203,076	203,321	197,637	5,684
Supplies	7,000	7,000	6,182	818
Professional Services	153,000	179,000	56,814	122,186
Auto and Travel	2,500	4,000	4,099	(99)
Equipment Maintenance	7,800	2,400	1,381	1,019
Professional Development	8,000	7,000	4,175	2,825
Miscellaneous	23,000	21,400	27,073	(5,673)
TOTAL COMMUNITY DEVELOPMENT	<u>1,142,953</u>	<u>1,162,698</u>	<u>1,008,309</u>	<u>154,389</u>
PUBLIC SAFETY:				
Law Enforcement Contract	1,055,325	1,055,325	1,055,325	-
Animal Control Contract	65,280	65,280	63,324	1,956
Municipal Court Expenses	12,000	12,000	17,192	(5,192)
Equipment Maintenance	17,000	17,000	16,026	974
Utilities	1,000	1,000	643	357
Miscellaneous	4,500	4,500	650	3,850
TOTAL PUBLIC SAFETY	<u>1,155,105</u>	<u>1,155,105</u>	<u>1,153,160</u>	<u>1,945</u>

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>(continued)</i>				
STREETS AND PUBLIC WORKS:				
Salaries	\$ 578,534	\$ 578,534	\$ 587,372	\$ (8,838)
Payroll Taxes	44,963	44,963	44,949	14
Employee Benefits	218,100	218,605	199,362	19,243
Supplies	13,000	14,700	22,986	(8,286)
Utilities	37,150	47,400	49,339	(1,939)
Road and Bridge Maintenance	1,713,565	1,055,591	993,098	62,493
Street Lighting Maintenance	60,000	60,000	57,063	2,937
Building and Grounds Maintenance	20,000	20,000	11,862	8,138
Equipment Maintenance	88,700	92,700	98,831	(6,131)
Miscellaneous	35,750	37,000	17,877	19,123
TOTAL STREETS AND PUBLIC WORKS	<u>2,809,762</u>	<u>2,169,493</u>	<u>2,082,739</u>	<u>86,754</u>
CULTURE AND RECREATION:				
Salaries	453,714	453,714	358,015	95,699
Payroll Taxes	27,064	27,064	28,314	(1,250)
Employee Benefits	87,981	88,071	74,038	14,033
Parks Maintenance	53,500	56,930	53,221	3,709
Amphitheater	5,500	6,000	5,707	293
Supplies	20,099	20,099	15,936	4,163
Golf Course Facility Maintenance	8,500	10,000	4,972	5,028
Special Events	420,850	420,146	382,581	37,565
Subsidy to Mtn. Recreation	321,000	204,000	135,627	68,373
Miscellaneous	220,000	45,200	33,729	11,471
TOTAL CULTURE AND RECREATION	<u>1,618,208</u>	<u>1,331,224</u>	<u>1,092,140</u>	<u>239,084</u>
ECONOMIC DEVELOPMENT:				
Enhancement Fund Reserve	55,000	60,000	-	60,000
Wildlife Mitigation	20,000	20,000	-	20,000
Recycling Center	4,200	4,200	4,200	-
Economic Development	216,000	216,000	155,995	60,005
TOTAL ECONOMIC DEVELOPMENT	<u>295,200</u>	<u>300,200</u>	<u>160,195</u>	<u>140,005</u>
CAPITAL OUTLAY:				
General Government	398,810	586,000	255,936	330,064
Community Development	34,600	48,223	48,826	(603)
Public Safety	-	140,000	136,985	3,015
Streets and Public Works	361,000	364,500	357,549	6,951
Culture and Recreation	85,500	79,000	73,150	5,850
TOTAL CAPITAL OUTLAY	<u>879,910</u>	<u>1,217,723</u>	<u>872,446</u>	<u>345,277</u>
OTHER FINANCING USES:				
Transfers to Other Funds	620,000	716,000	716,000	-
TOTAL OTHER FINANCING USES	<u>620,000</u>	<u>716,000</u>	<u>716,000</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 10,609,401</u>	<u>\$ 10,173,813</u>	<u>\$ 8,872,322</u>	<u>\$ 1,301,491</u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>General Revenues</u>				
Interest Income	\$ 800	\$ 100	\$ 70	\$ (30)
Total General Revenues	<u>800</u>	<u>100</u>	<u>70</u>	<u>(30)</u>
GOLF COURSE ACTIVITIES:				
<u>Charges for Services</u>				
Annual Passes	125,000	110,000	105,783	(4,217)
Beverage Cart Sales	500	354	354	-
Green Fees	657,000	648,744	663,458	14,714
Lesson Fees	-	-	4,229	4,229
Merchandise Sales	65,000	140,000	139,235	(765)
Punch Passes	60,000	89,880	89,880	-
Restaurant Rental	40,000	60,000	63,994	3,994
Tournament Entries	12,000	54,345	54,187	(158)
Utility Reimbursement	15,000	17,000	23,857	6,857
Other Revenue	45,000	57,135	59,836	2,701
Total Charges for Services	<u>1,019,500</u>	<u>1,177,458</u>	<u>1,204,813</u>	<u>27,355</u>
OTHER FINANCING SOURCES:				
Transfers from Other Funds	<u>514,000</u>	<u>610,000</u>	<u>610,000</u>	<u>-</u>
Total Other Financing Sources	<u>514,000</u>	<u>610,000</u>	<u>610,000</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,534,300</u>	<u>\$ 1,787,558</u>	<u>\$ 1,814,883</u>	<u>\$ 27,325</u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
GOLF COURSE ACTIVITIES:				
<u>Pro Shop</u>				
Salaries	\$ 206,430	\$ 220,000	\$ 224,000	\$ (4,000)
Taxes	15,719	17,000	16,912	88
Benefits	30,456	31,205	29,767	1,438
Dues and Permits	5,000	5,800	5,943	(143)
Education	3,000	3,000	460	2,540
Supplies	36,343	22,335	26,462	(4,127)
Resale Items	45,000	95,000	95,007	(7)
Repairs and Maintenance	<u>47,500</u>	<u>162,500</u>	<u>138,824</u>	<u>23,676</u>
Total Pro Shop	<u>389,448</u>	<u>556,840</u>	<u>537,375</u>	<u>19,465</u>
<u>Driving Range</u>				
Supplies	<u>4,500</u>	<u>4,800</u>	<u>3,431</u>	<u>1,369</u>
Total Driving Range	<u>4,500</u>	<u>4,800</u>	<u>3,431</u>	<u>1,369</u>
<u>Cart Department</u>				
Salaries	75,600	84,000	85,109	(1,109)
Taxes	5,704	6,500	6,511	(11)
Benefits	258	258	255	3
Repairs and Maintenance	10,500	14,569	13,721	848
Operating Lease	<u>46,620</u>	<u>46,620</u>	<u>46,620</u>	<u>-</u>
Total Cart Department	<u>138,682</u>	<u>151,947</u>	<u>152,216</u>	<u>(269)</u>
<u>Course and Maintenance</u>				
Salaries	294,625	294,625	280,527	14,098
Taxes	21,592	21,592	21,080	512
Benefits	65,949	65,949	66,486	(537)
Dues and Permits	2,500	2,500	1,556	944
Education	1,200	1,200	1,125	75
Supplies	69,000	69,110	61,997	7,113
Repairs and Maintenance	69,500	66,800	46,545	20,255
Equipment Rental	7,500	7,500	10,506	(3,006)
Utilities	<u>28,000</u>	<u>28,000</u>	<u>24,737</u>	<u>3,263</u>
Total Course and Maintenance	<u>559,866</u>	<u>557,276</u>	<u>514,559</u>	<u>42,717</u>

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2021

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Administration</u>				
Advertising and Promotion	\$ 33,500	\$ 33,500	\$ 29,031	\$ 4,469
Benefits	8,569	9,000	8,756	244
Bank Charges	16,000	18,000	25,319	(7,319)
Office Supplies & Dues	15,100	23,694	22,001	1,693
Equipment Repairs and Maintenance	7,525	12,000	14,082	(2,082)
Miscellaneous	500	500	1,100	(600)
Operating Lease	1,000	1,000	542	458
Total Administration	<u>82,194</u>	<u>97,694</u>	<u>100,831</u>	<u>(3,137)</u>
<u>Facility Expenses</u>				
Facility Repairs and Maintenance	1,500	1,500	205	1,295
Utilities	39,700	41,500	39,605	1,895
Total Facility	<u>41,200</u>	<u>43,000</u>	<u>39,810</u>	<u>3,190</u>
TOTAL GOLF COURSE EXPENDITURES	<u>1,215,890</u>	<u>1,411,557</u>	<u>1,348,222</u>	<u>63,335</u>
CAPITAL OUTLAY:				
Golf Course	111,200	188,600	152,567	36,033
TOTAL CAPITAL OUTLAY	<u>111,200</u>	<u>188,600</u>	<u>152,567</u>	<u>36,033</u>
DEBT SERVICE:				
Principal	161,966	161,966	161,966	-
Interest	40,361	40,361	40,361	-
TOTAL DEBT SERVICES	<u>202,327</u>	<u>202,327</u>	<u>202,327</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 1,529,417</u>	<u>\$ 1,802,484</u>	<u>\$ 1,703,116</u>	<u>\$ 99,368</u>

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

SUPPLEMENTAL INFORMATION
PROPRIETARY (ENTERPRISE) FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – WATER ENTERPRISE FUND
For the Year Ended December 31, 2021

	Water Enterprise Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Service Fees	\$ 1,100,000	\$ 1,240,000	\$ 1,246,052	\$ 6,052
Other Revenues	115,575	138,720	152,396	13,676
Tap Fees	500,000	969,100	745,680	(223,420)
Dedication Fees	150,000	1,963,746	469,596	(1,494,150)
Interest Income	21,000	3,500	2,167	(1,333)
Total Budgetary Based Revenues	1,886,575	4,315,066	2,615,891	(1,699,175)
Expenditures:				
System Operations:				
Salaries	408,819	308,000	185,452	122,548
Payroll Taxes	31,713	20,050	15,466	4,584
Employee Benefits	105,812	75,933	66,858	9,075
Utilities	72,050	90,550	96,703	(6,153)
Operating Supplies	56,000	67,600	52,506	15,094
Repairs and Maintenance	1,621,580	1,696,580	239,402	1,457,178
System Component Upgrades	26,172	46,172	28,396	17,776
Water Purchase	30,000	30,000	27,119	2,881
Eagle River Monitoring	9,000	9,000	9,000	-
Miscellaneous	6,500	8,950	8,716	234
Administration:				
Salaries	87,979	93,200	95,426	(2,226)
Payroll Taxes	6,975	7,395	7,396	(1)
Employee Benefits	16,891	20,261	18,181	2,080
Office and Billing	9,000	11,000	12,402	(1,402)
Dues and Permits	3,000	3,000	35	2,965
Professional Services	387,350	387,350	250,423	136,927
Miscellaneous	2,900	2,900	3,171	(271)
Debt Services:				
Principal	180,025	180,025	180,017	8
Interest	85,259	85,259	85,266	(7)
Capital Outlay/Noncap Outlay	944,850	472,550	481,835	(9,285)
Total Budgetary Based Expenditures	4,091,875	3,615,775	1,863,770	1,752,005
Budgetary Based Net Income (Loss)	(2,205,300)	699,291	752,121	52,830
Beginning Available Funds	3,249,660	4,659,987	4,464,799	(195,188)
Ending Available Funds	\$ 1,044,360	\$ 5,359,278	\$ 5,216,920	\$ (142,358)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SEWER ENTERPRISE FUND
For the Year Ended December 31, 2021

	Sewer Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Service Fees	\$ 1,072,000	\$ 1,115,375	\$ 1,133,224	\$ 17,849
Tap Fees	520,000	1,025,520	776,895	(248,625)
Interest Income	15,000	2,400	1,696	(704)
Other Revenues	500	500	-	(500)
<u>Other Financing Sources and Uses:</u>				
Transfer from General Fund	106,000	106,000	106,000	-
 Total Budgetary Based Revenues	 1,713,500	 2,249,795	 2,017,815	 (231,980)
<u>Expenditures:</u>				
System Operations:				
Salaries	267,206	267,206	210,579	56,627
Payroll Taxes	19,740	19,740	16,676	3,064
Employee Benefits	92,426	92,610	61,714	30,896
Utilities	98,500	100,000	104,509	(4,509)
Operating Supplies	37,300	39,600	32,073	7,527
Repairs and Maintenance	199,500	215,900	218,251	(2,351)
Miscellaneous	3,000	2,000	883	1,117
Administration:				
Salaries	60,216	75,200	71,704	3,496
Payroll Taxes	4,771	5,950	5,549	401
Employee Benefits	14,303	14,308	13,524	784
Office and Billing	9,000	11,000	12,402	(1,402)
Dues and Permits	3,000	3,000	365	2,635
Professional Services	17,500	25,000	25,485	(485)
Miscellaneous	1,000	1,000	80	920
Capital Outlay	2,961,950	453,750	235,847	217,903
 Total Budgetary Based Expenditures	 3,789,412	 1,326,264	 1,009,641	 316,623
 Budgetary Based Net Income (Loss)	 (2,075,912)	 923,531	 1,008,174	 84,643
 Beginning Available Funds	 2,662,993	 3,785,299	 3,458,806	 (326,493)
 Ending Available Funds	 \$ 587,081	 \$ 4,708,830	 \$ 4,466,980	 \$ (241,850)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SANITATION ENTERPRISE FUND
For the Year Ended December 31, 2021

	Sanitation Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Service Fees	\$ 325,000	\$ 325,000	\$ 331,163	\$ 6,163
Interest Income	500	70	42	(28)
Total Budgetary Based Revenues	<u>325,500</u>	<u>325,070</u>	<u>331,205</u>	<u>6,135</u>
<u>Expenditures:</u>				
System Operations:				
Salaries	98,652	98,652	92,560	6,092
Payroll Taxes	7,714	7,714	7,342	372
Employee Benefits	33,684	33,789	32,872	917
Supplies	8,250	8,250	7,683	567
Repairs and Maintenance	30,000	41,500	38,117	3,383
Landfill Fees	60,000	90,000	86,649	3,351
Administration:				
Salaries	39,989	40,290	38,674	1,616
Payroll Taxes	3,165	3,220	2,968	252
Employee Benefits	13,906	13,909	8,253	5,656
Office and Billing	9,000	11,000	12,403	(1,403)
Capital Outlay	75,000	-	-	-
Total Budgetary Based Expenditures	<u>379,360</u>	<u>348,324</u>	<u>327,521</u>	<u>20,803</u>
Budgetary Based Net Income (Loss)	(53,860)	(23,254)	3,684	26,938
Beginning Available Funds	<u>89,949</u>	<u>112,699</u>	<u>112,699</u>	<u>-</u>
Ending Available Funds	<u>\$ 36,089</u>	<u>\$ 89,445</u>	<u>\$ 116,383</u>	<u>\$ 26,938</u>

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

SUPPLEMENTAL INFORMATION

FIDUCIARY FUNDS

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Gypsum
	YEAR ENDING: December 31, 2021

This Information from The Records of Town of Gypsum, Colorado	Prepared By: Phone:	Mark Silverthorn 970-524-1725
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	993,060
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	397,052
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	71,779
2. General fund appropriations	1,512,962	b. Snow and ice removal	218,557
3. Other local imposts (from page 2)	150,449	c. Other	0
4. Miscellaneous local receipts (from page 2)	1,086,596	d. Total (a. through c.)	290,336
5. Transfers from toll facilities	0	4. General administration & miscellaneous	190,038
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,208,979
a. Bonds - Original Issues	0	6. Total (1 through 5)	3,079,465
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	2,750,007	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	333,684	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	3,083,691	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	3,079,465

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	10,597,304	3,083,691	3,079,465	10,601,530	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING 12/21:
December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	4,225
b. Other local imposts:		b. Traffic Fines & Penalties	45,949
1. Sales Taxes & Use Tax	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	1,036,422
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	150,449	g. Other Misc. Receipts	0
6. Total (1. through 5.)	150,449	h. Other Road & Bridge Tax	0
c. Total (a. + b.)	150,449	i. Total (a. through h.)	1,086,596
	(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	290,580	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	43,104	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	43,104	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	333,684	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0		
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	993,060	993,060
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	993,060	993,060
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	993,060	993,060
			(Carry forward to page 1)

Notes and Comments: