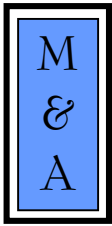


**Town of Granby
Granby, Colorado**

**Financial Statements
December 31, 2019**





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Board Town of Granby

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Granby (the "Town"), as of and for the year ended December 31, 2019, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and Town Board
Town of Granby

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
April 17, 2020

**Town of Granby, Colorado
Financial Report
December 31, 2019**

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MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Granby, Colorado

Management's Discussion and Analysis December 31, 2019

As management of the Town of Granby ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2019.

Financial Highlights

- The Town had an increase in net position of \$1,645,200. The increase was attributable to an increase of \$1,256,251 in governmental funds and an increase of \$388,949 in proprietary funds that were largely related to the sale of property to Sun Communities and the related payoff of debt.
- The Town's governmental funds combined fund balances increased by \$1,437,871, of which the General Fund and Capital Improvement Fund had excesses of revenues over expenditures of \$593,027 and \$751,050, respectively. A significant portion of the excesses are attributed to an increase in sales and use tax.
- The Town's Sales and Use Tax increased from \$3,166,562 in 2018 to \$4,016,512 in 2019, a 27% increase.
- The Town has enough unreserved governmental fund balance to cover about 7 months of governmental activities expense.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Town assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, streets, and parks and recreation. The business-type activities of the Town include water and sewer services. The Town also has a Fleet fund which accounts for purchases and disposition of equipment and vehicles that are utilized for governmental activities.

Overview of the Financial Statements (continued)

The government-wide financial statements include not only the Town itself (known as the primary government), but also the Grand Elk General Improvement Districts and the Granby West General Improvement District. Since the Town created the General Improvement Districts and the Town Board serves as the board for the Grand Elk and Granby West General Improvement Districts, the financial statements are required to be blended or combined for financial reporting purposes. Therefore, the financial information for Grand Elk General Improvement District is blended to include the financial information for the District as a fund of the Town. Additional information regarding Grand Elk General Improvement District is available on Page D1.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

Proprietary funds: The Town maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, each of which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds.

Internal Service Fund

The Town has a Fleet fund which accounts for purchases and disposition of equipment and vehicles that are utilized for governmental activities.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D21 of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the Town's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements and equipment). Capital assets account for 73% of the total assets. The Town uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the Town's restricted net position has changed as follows:

	<u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
<i>General Fund:</i>				
Emergency reserves	\$ 326,805	\$ -	\$ (145,255)	\$ 181,550
<i>Conservation Trust:</i>				
Recreation	32,832	6,738	-	39,570
<i>Grand Elk Fund:</i>				
Emergency reserves	34,681	-	(6,198)	28,483
Debt service	890,935	98,212	-	989,147
<i>Grand Elk Ranch No.2</i>				
Emergency reserves	19	1	-	20
<i>Water Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	121,500	-	-	121,500
<i>South Service Water Fund:</i>				
Water Main Replacement	650,880	200,000	-	850,880
	<u>\$ 2,121,652</u>	<u>\$ 304,951</u>	<u>\$ (151,453)</u>	<u>\$ 2,275,150</u>

The following graphs show the Town's net position for 2018 and 2019:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets:						
Current and other assets	\$ 8,667,137	\$ 6,854,882	\$ 5,061,828	\$ 4,146,944	\$ 13,728,965	\$ 11,001,826
Capital assets	14,114,962	14,702,088	23,368,941	23,996,036	37,483,903	38,698,124
Total Assets	<u>22,782,099</u>	<u>21,556,970</u>	<u>28,430,769</u>	<u>28,142,980</u>	<u>51,212,868</u>	<u>49,699,950</u>
Deferred Outflow of Resources:						
Deferred charge on refunding	300,058	351,553	-	-	300,058	351,553
Total deferred outflow of resources	<u>300,058</u>	<u>351,553</u>	<u>-</u>	<u>-</u>	<u>300,058</u>	<u>351,553</u>
Liabilities:						
Other liabilities	153,741	174,682	30,507	15,759	184,248	190,441
Long-term liabilities	6,631,525	7,053,741	2,038,167	2,156,618	8,669,692	9,210,359
Total Liabilities	<u>6,785,266</u>	<u>7,228,423</u>	<u>2,068,674</u>	<u>2,172,377</u>	<u>8,853,940</u>	<u>9,400,800</u>
Deferred Inflow of Resources:						
Unavailable property tax revenue	877,838	683,144	-	-	877,838	683,144
Unavailable revenue - Other	260,423	94,577	16,329	13,786	276,752	108,363
Total deferred inflow of resources	<u>1,138,261</u>	<u>777,721</u>	<u>16,329</u>	<u>13,786</u>	<u>1,154,590</u>	<u>791,507</u>
Net Position:						
Net investment in capital assets	8,599,139	8,793,860	21,391,636	21,903,435	29,990,775	30,697,295
Restricted	1,238,770	1,285,272	1,036,380	836,380	2,275,150	2,121,652
Unrestricted	5,320,721	3,823,247	3,917,750	3,217,002	9,238,471	7,040,249
Total Net Position	<u>\$ 15,158,630</u>	<u>\$ 13,902,379</u>	<u>\$ 26,345,766</u>	<u>\$ 25,956,817</u>	<u>\$ 41,504,396</u>	<u>\$ 39,859,196</u>

Overview of the Financial Statements (continued)

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same report can be made for the prior year.

The following chart is a summary of the Town's Change in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,078,972	\$ 873,219	\$ 2,693,234	\$ 2,544,933	\$ 3,772,206	\$ 3,418,152
Operating grants & contributions	134,877	217,314	4,806	61	139,683	217,375
Capital grants & contributions	8,906	206,227	274,203	366,889	283,109	573,116
General revenues:						
Property taxes	682,421	657,803	-	-	682,421	657,803
Sales and use taxes	4,590,299	3,619,031	-	-	4,590,299	3,619,031
Other taxes	220,645	201,491	-	-	220,645	201,491
Investment earnings and other revenue	303,529	5,245,289	71,665	20,227	375,194	5,265,516
Total Revenues	7,019,649	11,020,374	3,043,908	2,932,110	10,063,557	13,952,484
Expenses:						
General government	2,037,068	1,640,700	-	-	2,037,068	1,640,700
Public safety	1,172,107	1,032,283	-	-	1,172,107	1,032,283
Streets	1,542,238	1,285,706	-	-	1,542,238	1,285,706
Parks & recreation	837,585	750,535	-	-	837,585	750,535
Interest	367,825	409,475	-	-	367,825	409,475
Water	-	-	1,633,437	1,549,822	1,633,437	1,549,822
Sewer	-	-	1,021,522	981,908	1,021,522	981,908
Total Expenses	5,956,823	5,118,699	2,654,959	2,531,730	8,611,782	7,650,429
Change in Net Position						
before transfers	1,062,826	5,901,675	388,949	400,380	1,451,775	6,302,055
Transfers	193,425	-	-	-	193,425	-
Change in Net Position	1,256,251	5,901,675	388,949	400,380	1,645,200	6,302,055
Net Position - Beginning	13,902,379	8,000,704	25,956,817	25,556,437	39,859,196	33,557,141
Net Position - Ending	\$ 15,158,630	\$ 13,902,379	\$ 26,345,766	\$ 25,956,817	\$ 41,504,396	\$ 39,859,196

Governmental activities: Governmental activities increased the Town's net position by \$1,256,251. Key elements of this increase was caused by an increase of sales and use tax of \$971,268 and charges for service increasing by 205,753.

Overview of the Financial Statements (continued)

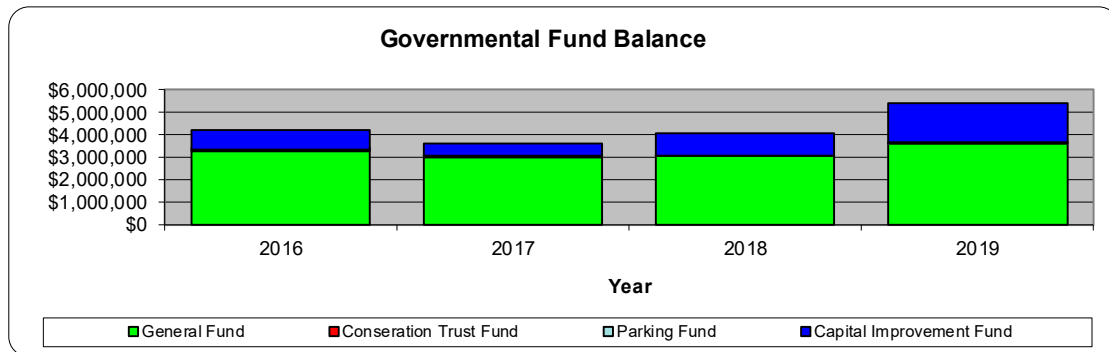
Business-type activities: Business-type activities increased the Town's net position by \$388,949. Key elements of this change are as follows:

- Increase in collection of plant investment fees.

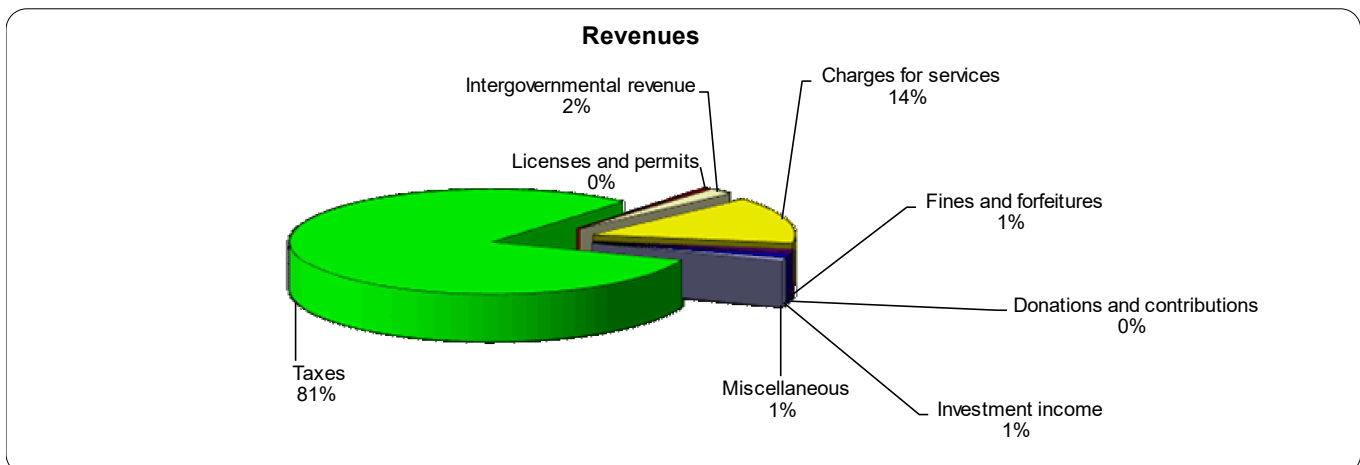
Financial Analysis of the Town's Funds

As mentioned on page B1 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

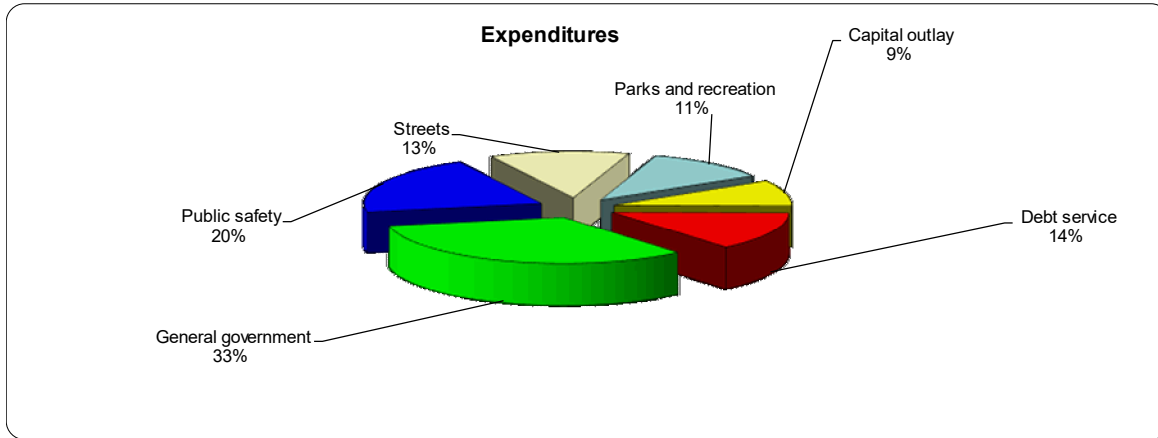
Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,529,380, an increase of \$1,437,871 from the prior year ending fund balances. The Town's fund balances for past three years and 2019 are presented in graph format below. To increase comparability, the graph excludes the Grand Elk General Improvement District and Granby West General Improvement District.



The Town's total governmental fund revenues were from the following sources:



The following is a graph of the Town's governmental activities expenditures by function for 2019:



Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Budget variances in the General Fund: The Town's significant General Fund budget variances are detailed as follows:

	Final Budget	Actual	Variance	Reason
Revenues:				
Sales & use	\$ 3,808,150	\$ 4,016,512	\$ 208,362	Collection of online sales tax and sales tax in general was higher
Other licenses and permits	103,450	16,318	(87,132)	Budgeted for short term rental fees
Developer revenue sharing	27,300	149,248	121,948	HWMD revenue did not meet police protection
Total Revenues	4,530,886	4,830,797	299,911	
Expenditures:				
Legislative	299,963	239,722	60,241	Didn't spend money on zoning, annexations, short term rental consultation, or affordable housing
Economic development	287,833	228,635	59,198	One business received downtown incentive and one business received site improvement grant, budgeted for more
Program Project and Facility	552,190	445,792	106,398	Street light electricity under budget
Police and public safety	1,212,671	1,135,507	77,164	Police officers were understaffed for part of the year
Street	768,916	687,728	81,188	Employees retired and employees moved to other departments prior to being replaced.
Total Expenditures	4,735,907	4,210,629	525,278	

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased due to asset additions during the year. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements on pages D14 and D15 of this report.

Long-term debts: As of the end of the current fiscal year, the Town had \$8,645,126 in total long-term debts. This includes \$6,390,000 of Grand Elk General Improvement District G.O. bonded debt which is solely the responsibility of the District. The Town has no responsibility for the debt, other than its responsibility as the primary government sponsoring the District. In 2018 the Town paid off capital leases relating to the Town Hall and the Town Street Shop. Additionally, the Town's North Service Area Water Fund has a Colorado Water Conservation Board note. The South Service Area Sewer Enterprise has a Colorado Water and Power Development Authority Loan for DeBerard Draw. Further information regarding the Town's debt can be found on pages D15 through D18.

Financial Analysis of the Town's Funds (continued)

Sales and Use Tax: The Town has 4% sales and use tax that is used to fund its governmental operations. 12.5% of the tax collected is placed in the Capital Improvement Fund for future capital acquisitions. The increase in sales and use tax from 2018 was \$971,268 or 26.84%. The following chart indicates changes in the sales and use tax over the past several years. The chart does not take into account revenue sharing agreements.



Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$3,635,828. The Town's 2020 budget is conservatively prepared and anticipates net income of \$9,730 and ending fund balance of \$3,645,558. There are several designated and restricted reserves which will be used for specific projects.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Finance Director, P.O. Box 440, Granby, Colorado 80446.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



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

	Governmental Activities	Business type Activities	Total
Assets:			
Cash and investments - Unrestricted	6,448,124	4,917,746	11,365,870
Cash and investments - Restricted	551,040	-	551,040
Cash with Treasurer	4,913	-	4,913
Accounts, taxes, and interest receivable	1,655,267	144,082	1,799,349
Due from other governments	1,200	-	1,200
Prepaid expenses	6,593	-	6,593
Total current assets	<u>8,667,137</u>	<u>5,061,828</u>	<u>13,728,965</u>
Capital assets:			
Water rights	-	920,107	920,107
Land & Improvements	4,692,405	9,804	4,702,209
Infrastructure	14,734,972	-	14,734,972
System and improvements	-	24,192,903	24,192,903
Buildings and improvements	8,996,959	7,523,662	16,520,621
Equipment	2,670,003	807,906	3,477,909
Construction in Progress	3,790	-	3,790
Less accumulated depreciation	<u>(16,983,167)</u>	<u>(10,085,441)</u>	<u>(27,068,608)</u>
Total capital assets (net of accumulated depr.)	<u>14,114,962</u>	<u>23,368,941</u>	<u>37,483,903</u>
Total assets	<u>22,782,099</u>	<u>28,430,769</u>	<u>51,212,868</u>
Deferred Outflow of Resources:			
Deferred charge on refunding	300,058	-	300,058
Total deferred outflow of resources	<u>300,058</u>	<u>-</u>	<u>300,058</u>
Liabilities:			
Current liabilities:			
Accounts payable	77,278	16,767	94,045
Accrued expenses	(2,870)	9,240	6,370
Deposits	79,333	4,500	83,833
Total current liabilities:	<u>153,741</u>	<u>30,507</u>	<u>184,248</u>
Noncurrent liabilities:			
Compensated absences	236,248	60,862	297,110
Accrued interest	24,566	-	24,566
Due within one year	480,000	117,935	597,935
Due in more than one year	5,890,711	1,859,370	7,750,081
Total noncurrent liabilities	<u>6,631,525</u>	<u>2,038,167</u>	<u>8,669,692</u>
Total liabilities	<u>6,785,266</u>	<u>2,068,674</u>	<u>8,853,940</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	877,838	-	877,838
Unavailable revenue - Other	260,423	16,329	276,752
Total deferred inflow of resources	<u>1,138,261</u>	<u>16,329</u>	<u>1,154,590</u>
Net Position:			
Net Investment in capital assets	8,599,139	21,391,636	29,990,775
Restricted	1,238,770	1,036,380	2,275,150
Committed	2,158,152	-	2,158,152
Unrestricted	3,162,569	3,917,750	7,080,319
Total Net Position	<u>15,158,630</u>	<u>26,345,766</u>	<u>41,504,396</u>

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

Town of Granby, Colorado
Statement of Activities
December 31, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Functions/Programs						
Primary government:						
Governmental activities:						
General government	2,033,468	80,519	17,846	-	(1,935,103)	(1,935,103)
Public safety	1,148,207	213,056	2,000	6,406	(926,745)	(926,745)
Streets	1,404,238	585,811	85,275	2,500	(730,652)	(730,652)
Parks and recreation	809,660	199,586	29,756	-	(580,318)	(580,318)
Interest	367,825	-	-	-	(367,825)	(367,825)
Total Governmental Activities	<u>5,763,398</u>	<u>1,078,972</u>	<u>134,877</u>	<u>8,906</u>	<u>(4,540,643)</u>	<u>(4,540,643)</u>
Business-type activities:						
Water	1,633,440	1,714,266	4,806	223,003	-	308,635
Sewer	1,021,522	978,968	-	51,200	-	8,646
Total Business-type Activities	<u>2,654,962</u>	<u>2,693,234</u>	<u>4,806</u>	<u>274,203</u>	<u>-</u>	<u>317,281</u>
Total Primary Government	<u>8,418,360</u>	<u>3,772,206</u>	<u>139,683</u>	<u>283,109</u>	<u>(4,540,643)</u>	<u>(4,223,362)</u>
General Revenues:						
Property tax, levied for general purposes				682,421	-	682,421
Specific ownership tax				58,492	-	58,492
General sales and use tax				4,590,299	-	4,590,299
Franchise tax				132,891	-	132,891
Other miscellaneous taxes				29,262	-	29,262
Investment earnings				59,408	36,262	95,670
Grants and contributions not restricted to any program				244,416	35,406	279,822
Gain (loss) on disposal of assets				(295)	-	(295)
Total General Revenues				<u>5,796,894</u>	<u>71,668</u>	<u>5,868,562</u>
Change in Net Position				<u>1,256,251</u>	<u>388,949</u>	<u>1,645,200</u>
Net Position - Beginning				<u>13,902,379</u>	<u>25,956,817</u>	<u>39,859,196</u>
Net Position - Ending				<u>15,158,630</u>	<u>26,345,766</u>	<u>41,504,396</u>

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

FUND FINANCIAL STATEMENTS



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

	<u>General</u>	<u>Grand Elk GID</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and investments - Unrestricted	3,566,065	492,919	1,736,650	42,980	5,838,614
Cash and Investments - Restricted	-	551,040	-	-	551,040
Cash with County Treasurer	2,547	2,362	-	4	4,913
Receivables, net of allowance for uncollectibles	1,135,631	470,006	48,987	641	1,655,265
Due from other governments	1,200	-	-	-	1,200
Prepaid expenses	6,593	-	-	-	6,593
Total Assets	<u>4,712,036</u>	<u>1,516,327</u>	<u>1,785,637</u>	<u>43,625</u>	<u>8,057,625</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts payable	54,390	22,494	388	-	77,272
Accrued payroll	(655)	-	-	-	(655)
Accrued compensated absences	236,248	-	-	-	236,248
Accrued expenses	(2,215)	-	-	-	(2,215)
Deposits	79,333	-	-	-	79,333
Total Liabilities	<u>367,101</u>	<u>22,494</u>	<u>388</u>	<u>-</u>	<u>389,983</u>
Deferred inflow of resources:					
Unavailable property tax revenue	448,684	428,513	-	642	877,839
Unavailable revenue - other	260,423	-	-	-	260,423
Total deferred inflow of resources	<u>709,107</u>	<u>428,513</u>	<u>-</u>	<u>642</u>	<u>1,138,262</u>
Fund Balances:					
Unspendable	6,593	-	-	-	6,593
Spendable:					
Restricted for emergencies	181,550	28,483	-	20	210,053
Restricted for recreation	-	-	-	39,570	39,570
Restricted for debt service	-	989,147	-	-	989,147
Committed	321,820	47,690	1,785,249	3,393	2,158,152
Unassigned	3,125,865	-	-	-	3,125,865
Total Fund Balances	<u>3,635,828</u>	<u>1,065,320</u>	<u>1,785,249</u>	<u>42,983</u>	<u>6,529,380</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>4,712,036</u>	<u>1,516,327</u>	<u>1,785,637</u>	<u>43,625</u>	<u>8,057,625</u>

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

Town of Granby
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2019

Governmental Funds Total Fund Balance	6,529,380
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	28,972,909
Deferred charges are capitalized and amortized over the life of the bond issue.	319,349
The Fleet Fund is an internal service fund that provides the majority of its services to governmental activities. Therefore its net position is included with governmental activities	1,245,679
Less:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition	(15,494,121)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt and capital leases owed.	(6,390,000)
Accrued interest is not due and payable in the current period and not reported in the fund. This represents accrued interest on the Town's debt.	(24,566)
Governmental Activities Net Position	<u>15,158,630</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Grand Elk GID	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	4,563,128	355,799	573,787	651	5,493,365
Licenses and permits	16,318	-	-	-	16,318
Intergovernmental revenue	106,946	-	-	23,708	130,654
Charges for services	392,706	575,184	-	-	967,890
Fines and forfeitures	72,494	-	-	-	72,494
Investment income	27,588	18,454	9,435	295	55,772
Donations and contributions	8,771	-	10,000	-	18,771
Gravel sales	-	-	201,760	-	201,760
Miscellaneous	27,309	-	31,641	-	58,950
Total Revenues	<u>5,215,260</u>	<u>949,437</u>	<u>826,623</u>	<u>24,654</u>	<u>7,015,974</u>
Expenditures:					
General government	1,763,501	83,968	-	91	1,847,560
Public safety	1,135,507	-	-	-	1,135,507
Streets	687,728	19,090	-	-	706,818
Parks and recreation	628,643	-	-	-	628,643
Capital outlay	16,854	-	465,573	17,265	499,692
Debt service	-	759,883	-	-	759,883
Total Expenditures	<u>4,232,233</u>	<u>862,941</u>	<u>465,573</u>	<u>17,356</u>	<u>5,578,103</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>983,027</u>	<u>86,496</u>	<u>361,050</u>	<u>7,298</u>	<u>1,437,871</u>
Other Financing Sources (Uses):					
Transfers in	-	-	390,000	-	390,000
Transfers (out)	(390,000)	-	-	-	(390,000)
Total Other Financing Sources (Uses)	<u>(390,000)</u>	<u>-</u>	<u>390,000</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>593,027</u>	<u>86,496</u>	<u>751,050</u>	<u>7,298</u>	<u>1,437,871</u>
Fund Balances - Beginning	<u>3,042,801</u>	<u>978,824</u>	<u>1,034,199</u>	<u>35,685</u>	<u>5,091,509</u>
Fund Balances - Ending	<u><u>3,635,828</u></u>	<u><u>1,065,320</u></u>	<u><u>1,785,249</u></u>	<u><u>42,983</u></u>	<u><u>6,529,380</u></u>

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

Town of Granby
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2019

Governmental Funds Changes in Fund Balances	1,437,871
Add:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capitalized assets during the year.	421,817
Retirement of lease principal and bonds outstanding on the Town's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.	445,000
The Fleet Fund is an internal service fund that provides the majority of its services to governmental activities. Therefore its net income or loss is shown as a governmental activity.	17,403
Less:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the depreciation expense for the year.	(1,006,602)
Assets disposed of prior to being fully depreciated are charged off upon disposition. This represents the assets disposed of during the year.	(5,795)
Governmental funds report interest expense as it is paid. However in the Statement of Activities interest expense is reported when it is owed. This represents the change in accrued interest during the year.	<u>(53,443)</u>
Governmental Activities Change in Net Position	<u><u>1,256,251</u></u>

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

**Town of Granby
Statement of Net Position
Proprietary Funds
December 31, 2019**

	Business-Type Activities					Governmental
	North Service Area Enterprise		South Service Area Enterprise		Total	Activities
	Water Fund	Moraine Park Water Fund	Water Fund	Sewer Fund		Internal Services Fund
Assets:						
Current assets:						
Cash and cash equivalents	927,232	62,833	2,400,554	1,527,130	4,917,749	609,510
Accounts receivables, net of allowance for uncollectibles	136,086	11	4,613	3,373	144,083	-
Total current assets	1,063,318	62,844	2,405,167	1,530,503	5,061,832	609,510
Non-current assets:						
Land and easements	9,804	-	-	-	9,804	-
Water rights	344,408	374,558	201,140	-	920,106	-
Water system and improvements	2,982,741	1,282,896	10,384,850	9,542,416	24,192,903	-
Building and improvements	328,625	-	7,195,037	-	7,523,662	-
Equipment	330,799	-	196,280	280,827	807,906	2,125,220
Less: Accumulated depreciation	(2,661,900)	(149,671)	(3,983,608)	(3,290,262)	(10,085,441)	(1,489,051)
Total non-current assets:	1,334,477	1,507,783	13,993,699	6,532,981	23,368,940	636,169
Total Assets	2,397,795	1,570,627	16,398,866	8,063,484	28,430,772	1,245,679
Liabilities:						
Current liabilities:						
Accounts payable	3,356	472	11,064	1,877	16,769	-
Accrued compensated absences	29,981	-	16,992	13,889	60,862	-
Accrued expenses	3,036	-	-	6,204	9,240	-
Deposits	1,500	-	3,000	-	4,500	-
Non-current liabilities due within one year:						
Loans	16,818	-	-	101,117	117,935	-
Total current liabilities:	54,691	472	31,056	123,087	209,306	-
Non-current liabilities:						
Non-Current Liabilities - due longer than one year:						
Loans	74,272	-	-	1,785,099	1,859,371	-
Total non-current liabilities	74,272	-	-	1,785,099	1,859,371	-
Total Liabilities	128,963	472	31,056	1,908,186	2,068,677	-
Deferred inflow of resources:						
Unearned revenue	-	-	16,329	-	16,329	-
Total deferred inflow of resources	-	-	16,329	-	16,329	-
Net Position:						
Net Investment in capital assets	1,243,387	1,507,783	13,993,699	4,646,765	21,391,634	636,169
Restricted	185,500	-	850,880	-	1,036,380	-
Unrestricted	839,945	62,372	1,506,902	1,508,533	3,917,752	609,510
Total Net Position	2,268,832	1,570,155	16,351,481	6,155,298	26,345,766	1,245,679

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

Town of Granby
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities				Total	Governmental
	North Service Area Enterprise		South Service Area Enterprise			Internal
	Water Fund	Moraine Park Water Fund	Water Fund	Sewer Fund		Services Fund
Operating Revenue:						
Utility sales	618,974	44,017	1,007,303	765,299	2,435,593	-
Other revenue	38,036	17	5,389	224,936	268,378	-
Charges for service	-	-	-	-	-	193,425
Operating Revenue	657,010	44,034	1,012,692	990,235	2,703,971	193,425
Operating Expenses:						
Salaries and employee benefits	301,953	22,884	199,700	145,414	669,951	-
Purchased services	108,882	26,814	174,095	540,033	849,824	-
Supplies	39,166	2,433	65,748	14,357	121,704	-
Depreciation and amortization	99,840	42,763	541,476	292,828	976,907	185,492
Capital outlay	4,317	-	-	-	4,317	-
Operating Expenses	554,158	94,894	981,019	992,632	2,622,703	185,492
Operating income (loss)	102,852	(50,860)	31,673	(2,397)	81,268	7,933
Non-Operating Revenues (Expenses):						
Interest revenue	7,452	400	17,002	11,407	36,261	3,970
Interest expense	(3,751)	-	-	(38,882)	(42,633)	-
Grants and contributions	39,848	15,798	-	-	55,646	-
Gain (loss) on disposal of assets	-	-	-	-	-	5,500
Total Non-Operating Revenues (Expenses)	43,549	16,198	17,002	(27,475)	49,274	9,470
Income (Loss) Before Contributions and Transfers	146,401	(34,662)	48,675	(29,872)	130,542	17,403
Capital contributions	-	-	207,204	51,200	258,404	-
Change in Net Position	146,401	(34,662)	255,879	21,328	388,946	17,403
Total Net Position - Beginning	2,122,431	1,604,817	16,095,602	6,133,970	25,956,820	1,228,276
Total Net Position - Ending	2,268,832	1,570,155	16,351,481	6,155,298	26,345,766	1,245,679

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

**Town of Granby
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019**

	Business-Type Activities				Total	Governmental Activities
	North Service Area Enterprise		South Service Area Enterprise			Internal Services Fund
	Water Fund	Moraine Park Water Fund	Water Fund	Sewer Fund		Fund
Cash Flows From Operating Activities:						
Cash received from customers for services	578,511	53,568	1,007,781	763,934	2,403,794	193,425
Other cash received	38,036	17	5,389	224,936	268,378	-
Cash paid for goods and services	(149,549)	(29,247)	(230,603)	(553,828)	(963,227)	-
Cash paid for employment services	(303,260)	(22,488)	(201,312)	(145,414)	(672,474)	-
Net Cash Provided (Used) by Operating Activities	163,738	1,850	581,255	289,628	1,036,471	193,425
Cash Flows From Non-Capital Financing Activities:						
Grants and contributions	39,848	15,799	207,204	51,200	314,051	-
Deposits	-	-	1,500	-	1,500	-
Net Cash Provided by Non-Capital Financing Activities	39,848	15,799	208,704	51,200	315,551	-
Cash Flows From Capital Financing Activities:						
Purchase of fixed assets	(242,163)	-	(90,230)	(17,419)	(349,812)	(188,946)
Proceeds on sale of fixed assets	-	-	-	-	-	5,500
Interest paid	(3,751)	-	-	(38,882)	(42,633)	-
Principal paid	(16,170)	-	-	(99,124)	(115,294)	-
Net Cash (Used) by Capital Financing Activities	(262,084)	-	(90,230)	(155,425)	(507,739)	(183,446)
Cash Flows From Investing Activities:						
Interest received	7,453	400	17,002	11,407	36,262	3,970
Net Cash Provided by Investing Activities	7,453	400	17,002	11,407	36,262	3,970
Net Increase (Decrease) in Cash and Cash Equivalents	(51,045)	18,049	716,731	196,810	880,545	13,949
Cash and Cash Equivalents - Beginning	978,277	44,784	1,683,823	1,330,320	4,037,204	595,561
Cash and Cash Equivalents - Ending	927,232	62,833	2,400,554	1,527,130	4,917,749	609,510
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating (loss)	102,852	(50,860)	31,673	(2,397)	81,268	7,933
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:						
Depreciation	99,840	42,763	541,476	292,828	976,907	185,492
(Increase) decrease in accounts receivable	(40,463)	9,551	(2,064)	(1,365)	(34,341)	-
Increase (decrease) in accounts payable	2,816	396	9,240	1,129	13,581	-
Increase (decrease) in compensated absences	(1,307)	-	(1,613)	(235)	(3,155)	-
Increase (decrease) in deferred revenue	-	-	2,543	-	2,543	-
Increase (decrease) in accrued interest	-	-	-	(332)	(332)	-
Total Adjustments	60,886	52,710	549,582	292,025	955,203	185,492
Net Cash Provided (Used) by Operating Activities	163,738	1,850	581,255	289,628	1,036,471	193,425

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Granby
Notes to the Financial Statements
December 31, 2019

I. Summary of Significant Accounting Policies

The Town of Granby (the "Town"), was founded in 1905 as a Colorado statutory municipality. The Town is centrally located in the middle of Grand County and is minutes from world class skiing, hot springs and Rocky Mountain National Park.

An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include water and sewer operations, road maintenance, police service, culture and recreation, and economic development.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the government. The Town has included the following component units:

Grand Elk General Improvement District: On September 25, 2001, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District.

Granby West General Improvement District: On September 13, 2005, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District. The name was changed from Shorefox General Improvement District to Granby West General Improvement District during 2012. The District became inactive in July 2016 when the Town purchased 1500 acres from the developer. In 2018 the Town sold 430 acres which are excluded from the District. The remainder is owned by the Town and is tax exempt.

Grand Elk Ranch No. 2 General Improvement District: On September 22, 2006, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District. The District currently has a budget in place for 2020 property and specific ownership taxes.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The Town's water and sewer utilities are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

2. Categories and Classification of Fund Balance:

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I (B) (3) below.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

3. Fund Balance Disclosure

The Town classifies governmental fund balances as follows:

Unspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Town Board. The Town's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Town Board platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to Town Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Town Board approval, must be presented via a public process and again approval by Town Board.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Board or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Town does not have a formal minimum fund balance policy. However, the Town's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Town Board.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The Town reports the following major special revenue fund:

The *Grand Elk General Improvement District Operations Fund* accounts for taxes set aside for operation of the District.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The Town reports the following major capital projects fund:

The *Capital Improvement Fund* accounts for revenues set aside for construction of municipal assets.

The *Grand Elk General Improvement District Capital Projects Fund* was created in 2002 and 2003 G.O. bonding for developing infrastructure in the District.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Town reports the following major debt service fund:

The *Grand Elk General Improvement District Debt Service Fund* accounts for taxes and system development fees set aside for debt of the District.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements (continued)

The Town reports the following proprietary or business-type funds:

The *North Service Area Water Enterprise Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, North of the Fraser River. The Town will also oversee the capital improvements to the system.

The *South Service Water Enterprise Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River. This fund also provides water to the Granby Silver Creek Water and Sanitation District.

The *South Service Sewer Enterprise Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River. This fund also bills on behalf of the Granby Sanitation District.

The *Moraine Park Water Fund* accounts for purchase and delivery of water to the citizens of a specific area outside town limits. In agreement with the State of Colorado, the Town took over operations and will oversee the capital improvements to the system, funded by a principal forgiveness loan.

The *Fleet Fund* accounts for purchase and disposition of equipment and vehicles that are utilized for governmental activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as demand deposits and short-term investments with a maturity date within 3 months of the date acquired.

2. Investments

Investments are stated at fair value, net asset value or amortized cost. The change in value of investments is recognized as an increase or decrease to investment assets and investment income. The Town's investment policy permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Property Taxes

Property taxes 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 as a receivable and as deferred inflow of resources.

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2001), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town does not intend to capitalize infrastructure acquired prior to January 1, 2001. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	40
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	3 - 7

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Deferred Outflows and Inflows of Resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. Accordingly, these items, unavailable property tax revenue, and unavailable grant revenue, is deferred and recognized as inflows of resources in the period that the amounts become available.

7. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. The liability for the amounts is reported in governmental funds.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are recorded as assets when purchased and depreciated over the life of the assets. Net capital assets of \$14,114,962 represents capitalized costs of \$31,098,129 and accumulated depreciation of \$16,983,167 .

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that retirement of long-term debt outstanding of \$445,000 results in a reduction of accumulated resources on the fund financial statements. This represents payments on the Grand Elk General Improvement District bonded debt.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2019.

1. For the 2019 budget year, prior to August 25, 2018 (revised November 30), the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
2. The Town Finance Director submitted to the Board, on or before October 15, 2018, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
3. Prior to December 15, 2018, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes 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 (not 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.

During the year the Town approved the following budget amendments.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amendment</u>
General Fund	\$ 4,620,490	\$ 5,152,858	\$ 532,368
Grand Elk GID Operating Fund	163,060	176,752	13,692
Grand Elk GID Debt Svc. Fund	834,050	834,050	-
Capital Improvement fund	1,009,950	1,009,950	-
Conservation Trust Fund	20,000	20,000	-
Grand Elk Ranch No. 2 GID	780	780	-
North Service Area Water Fund	751,628	788,175	36,547
Moraine Park Water Fund	44,669	59,771	15,102
South Service Water Fund	671,545	671,545	-
South Service Sewer Fund	887,751	906,010	18,259

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$210,053, which is the approximate required reserve at December 31, 2019.

On November 6, 2001, the Town's electorate approved the following ballot question: *Provided there is no new tax or no increase in any mill levy or any other tax rate without the subsequent approval of the Town's voters, shall the Town of Granby, Colorado be authorized to collect, retain and spend all revenues and other funds collected in the current year and each subsequent year fiscal year for streets, water, capital improvements, and any other lawful purpose, without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, the property tax revenue limitation of Section 29-1-301, Colorado Revised Statutes, or any other law.*

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation. The Grand Elk General Improvement District's electorate also passed a ballot question exempting the District from the provisions of Tabor on November 6, 2001.

C. Gallagher Amendment

In November 1982, Colorado voters approved an amendment (the "Gallagher Amendment") to Article X of the Colorado Constitution. The Gallagher Amendment sets guidelines to establish the proportionate total statewide assessed valuations for residential and non-residential property, with required adjustments to assessment rates to maintain the respective valuations for assessment such that approximately 45% of property tax collections would come from residential property and 55% to come from non-residential property. Further, the Gallagher Amendment requires that the non-residential assessment rate applied to actual values be fixed at 29% with the residential assessment rate ("RAR") to be adjusted to hold the 45% / 55% split constant. Because of the increase in residential property values in Colorado, the RAR has historically trended downward, which, in combination with TABOR's set mill levy rate, may limit the amount of property taxes the District can generate annually

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

C. Gallagher Amendment

In 2017, the State Legislature lowered the RAR from 7.96% to 7.22% for the 2018 – 2019 assessment period. This caused an approximately 9.3% loss of revenue for Colorado special districts, offset by increases, if any, in property values. In 2019, the Colorado State Legislature will review new values and set a new RAR to be applied in 2020-21. A publication issued by the Colorado Legislative Council Staff on April 12, 2019 states that the Colorado Division of Property Taxation estimates a RAR of 7.15% for 2019 and 2020, which would be a 1% reduction in property tax generated, assuming property values remain constant. The impact on the Town, if any, of future changes to the RAR cannot be determined at this time

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits was \$10,291,605 at year end. Petty cash totaled \$1,200.

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

At December 31, 2019, the Town had the following recurring value measurements.

<u>Investment Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market	5,709,535	-	5,709,535	-
<u>Investments Measured at Net Asset Value</u>				
Colotrust	\$ 865,007			
<u>Investments Measured at Amortized Cost</u>				
C-Safe	\$ 208,059			

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments

- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

The Investment Pool represents investments in COLOTRUST and C-SAFE. The value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool. At December 31, 2019, the Town's investments in COLOTRUST were 13% of the Town's investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Credit Risk. Town investment policy limits investments to those authorized by State statutes. The Town's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

The Town diversifies its investments by security type and institution. Financial institutions holding Town funds must provide the Town a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

The Town had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Petty cash:</i>	Not Rated	\$ 1,200	\$ 1,200	\$ -
<i>Demand Deposits:</i>				
Checking	Not Rated	3,737,318	3,737,318	-
Savings & money market	Not Rated	5,709,535	5,709,535	-
Certificates of deposit	Not Rated	844,752	844,752	-
<i>Investments:</i>				
Cash with fiscal agent	Not Rated	551,040	551,040	-
Investment Pools	AAAm	1,073,065	1,073,065	-
Total Cash and Investments		<u>\$ 11,916,910</u>	<u>\$ 11,916,910</u>	<u>\$ -</u>
<i>Reconciliation to Statement of Net Position:</i>				
Cash and investments - Unrestricted		\$ 11,365,870		
Cash and investments - Restricted		551,040		
Total Cash and Investments		<u>\$ 11,916,910</u>		

Restricted Cash. The Town had restricted cash in the amount of \$551,040 in the Grand Elk GID debt service fund relating to a UMB Bank bond reserve.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Total
	General	Grand Elk GID	Capital Improvement	Other Governmental Funds	
	Receivables:				
Taxes	\$ 448,684	\$ 428,513	\$ -	\$ 639	\$ 877,836
Accounts receivable	395,145	81,719	48,988	-	525,852
Accrued interest	6,759	-	-	-	6,759
Other receivables	260,940	-	-	-	260,940
Due from other governments	1,200	-	-	-	1,200
Loans receivable	24,102	-	-	-	24,102
Gross receivables	1,136,830	510,232	48,988	639	1,696,689
Less: allowance for uncollectible	-	(40,224)	-	-	(40,224)
Net Receivables	\$ 1,136,830	\$ 470,008	\$ 48,988	\$ 639	\$ 1,656,465

	Enterprise Funds				Total
	North Service Area	South Service Area		Moraine Park Water Fund	
	Water Operations	South Service Water Fund	South Service Sewer Fund		
Receivables:					
Accounts receivable	\$ 108,121	\$ -	\$ 2,993	\$ 11	\$ 111,125
Accrued interest	-	-	-	-	-
Other receivables	27,965	4,613	380	-	32,958
Gross receivables	136,086	4,613	3,373	11	144,083
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	\$ 136,086	\$ 4,613	\$ 3,373	\$ 11	\$ 144,083

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2018 but not available until 2019.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 2,351	\$ 1,439	\$ -	\$ 3,790
Capital assets, being depreciated:				
Land improvements	4,692,405	-	-	4,692,405
Infrastructure	14,525,572	209,400	-	14,734,972
Buildings	8,785,981	210,978	-	8,996,959
Furniture, fixtures, and equipment	2,494,204	188,946	(13,147)	2,670,003
Total capital assets being depreciated	<u>30,500,513</u>	<u>610,763</u>	<u>(13,147)</u>	<u>31,098,129</u>
Less accumulated depreciation for:				
Land improvements	(184,205)	(13,591)	-	(197,796)
Infrastructure	(10,506,630)	(702,539)	-	(11,209,169)
Buildings	(3,307,202)	(266,295)	-	(3,573,497)
Furniture, fixtures, and equipment	(1,800,388)	(209,669)	7,352	(2,002,705)
Total accumulated depreciation	<u>(15,798,425)</u>	<u>(1,192,094)</u>	<u>7,352</u>	<u>(16,983,167)</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,702,088</u>	<u>\$ (581,331)</u>	<u>\$ (5,795)</u>	<u>\$ 14,114,962</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and easements	\$ 9,804	\$ -	\$ -	\$ 9,804
Water rights	920,107	-	-	920,107
Total Capital Assets, Not Depreciated	<u>929,911</u>	<u>-</u>	<u>-</u>	<u>929,911</u>
Capital assets, being depreciated:				
Water system and improvements	24,111,153	81,750	-	24,192,903
Buildings and improvements	7,281,499	242,163	-	7,523,662
Equipment	782,006	25,900	-	807,906
Total Capital Assets Being Depreciated	<u>32,174,658</u>	<u>349,813</u>	<u>-</u>	<u>32,524,471</u>
Less accumulated depreciation for:				
Water system and improvements	(8,465,920)	(913,668)	-	(9,379,588)
Buildings and improvements	(77,464)	(12,764)	-	(90,228)
Equipment	(565,149)	(50,476)	-	(615,625)
Total Accumulated Depreciation	<u>(9,108,533)</u>	<u>(976,908)</u>	<u>-</u>	<u>(10,085,441)</u>
Business-type activities capital assets, Net	<u>\$ 23,996,036</u>	<u>\$ (627,095)</u>	<u>\$ -</u>	<u>\$ 23,368,941</u>

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The Town had the following capital outlay and depreciation expense for the following functions:

	Depreciation Expense	Capital Outlay
<i>Governmental activities:</i>		
General government	\$ 119,950	\$ -
Public safety	36,600	-
Streets	826,602	-
Parks and recreation	208,942	-
Capital outlay	-	610,763
Total - Governmental Activities	\$ 1,192,094	\$ 610,763
 <i>Business-type activities:</i>		
Water	\$ 684,080	\$ 332,394
Sewer	292,828	17,419
Total - Business-type Activities	\$ 976,908	\$ 349,813

D. Interfund Receivables, Payables, and Transfers

Transfers as of December 31, 2019 were as follows:

	In	Out
<i>Governmental Funds:</i>		
General Fund	\$ -	\$ (390,000)
Grand Elk GID	-	-
Other Governmental Funds	390,000	-
Total	\$ 390,000	\$ (390,000)

The above transfers were made to allocate funds to the fund's particular function.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities

1. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$297,109 at December 31, 2019. All unused benefits are recorded on the individual fund that pays the related payroll.

2. Grand Elk Debt

On September 25, 2001, the Town authorized the creation of a General Improvement District ("District") to finance infrastructure improvements within the District's boundaries. The District's electorate has approved the issuance of \$7,750,000 in GID General Obligation Bonds. On December 20, 2002 the District issued \$2,000,000 of Limited Tax General Obligation Bonds, Series 2002. In 2003 the District issued \$5,750,000 of Limited Tax General Obligation Bonds, Series 2003. In 2007 the District refunded all its debt with the issuance of Limited Tax General Obligation Refunding Bonds, Series 2007A. The bond issue totaled \$9,905,000 in bonds maturing in 2028. The District also issued \$200,000 of 2007B subordinate bonds which mature after the 2007A bonds have been paid in full. In 2012, the Town Attorney was successful in eliminating subsequent subordinate bond payments. The Town has no financial obligation for any of the District's bonds. Although the District is within the Town's boundaries, the District's citizens are solely responsible for repayment of the debt through the imposition of a mill levy on all real property within the District and system development fees when the property tax is insufficient to make the bond payments. The District's ability to retire the indebtedness created by the issuance of the bonds is dependent upon significant growth in development within the District and maintenance of an adequate tax base from which the District can collect sufficient tax revenues from the required mill levy. Payments are made from the Grand Elk GID Bond Fund.

3. North Service Area Water Fund Debt

On March 15, 1984 the Town borrowed \$405,000 from the Colorado Water Conservation Board. The note has a forty-year term and accrues interest at 4%. Payments are made from the Water Operations Fund.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

6. South Service Sewer Fund Debt

On June 12, 2015, the Town borrowed \$2,500,000 from the Colorado Water Resources and Power Development Authority. The loan has a twenty-year term and accrues interest at 2% annually. In 2016, the loan amount was reduced to \$2,238,098. The loan proceeds will be used to fund phase one of a project that entails replacing sewer lines. The pledged revenues are held in the South Service Sewer Fund. The loan is to be repaid semi-annually with payments being made on May 1st and November 1st commencing May 1st, 2016.

7. Debt Schedule

The following payments are required:

Year	Governmental Debt		
	Principal	Interest	Total
2020	480,000	294,803	774,803
2021	520,000	273,203	793,203
2022	555,000	249,803	804,803
2023	600,000	224,828	824,828
24	640,000	196,928	836,928
2025- 2028	3,595,000	468,255	4,063,255
Total	\$ 6,390,000	\$ 2,945,155	\$ 8,097,820
Grand Elk GD	6,390,000	2,945,155	9,335,155
Town of Granby	-	-	-
Total	\$ 6,390,000	\$ 2,945,155	\$ 9,335,155

Year	Business - Type Debt		
	Principal	Interest	Total
2020	117,935	40,865	158,800
2021	120,640	38,159	158,799
2022	123,413	35,387	158,800
2023	126,255	32,544	158,799
2024	129,169	29,630	158,799
2025- 2029	581,388	110,304	691,692
2030 - 2034	642,214	49,478	691,692
2035 - 2038	136,291	2,048	138,339
Total	\$ 1,977,305	\$ 338,415	\$ 2,315,720

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

8. Changes in Debt

The Town had the following changes in debt for the year ended December 31, 2019:

	<u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>	<u>Due within one year</u>
Governmental Fund Debt:					
Grand Elk GID Bonds	6,835,000	-	(445,000)	6,390,000	480,000
Issuance discount on Grand Elk GID Bonds	(22,869)	-	3,580	(19,289)	-
Capital Lease (Town Hall)	-	-	-	-	-
Compensated absences	215,412	20,836	-	236,248	-
Enterprise Debt:					
Compensated absences	64,017	-	(3,155)	60,862	-
Colorado Water Conservation Note	107,260	-	(16,170)	91,090	16,818
CWRPDA Loan	1,985,340	-	(99,125)	1,886,215	101,117
Total	<u>\$ 9,184,160</u>	<u>\$ 20,836</u>	<u>\$ (559,870)</u>	<u>\$ 8,645,126</u>	<u>\$ 597,935</u>

F. Restricted Fund Balance

The Town had the following restrictions on fund balances at December 31, 2019:

	<u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
<i>General Fund:</i>				
Emergency reserves	\$ 326,805	\$ -	\$ (145,255)	\$ 181,550
<i>Conservation Trust:</i>				
Recreation	32,832	6,738	-	39,570
<i>Grand Elk Fund:</i>				
Emergency reserves	34,681	-	(6,198)	28,483
Debt service	890,935	98,212	-	989,147
<i>Grand Elk Ranch No.2</i>				
Emergency reserves	19	1	-	20
<i>Water Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	121,500	-	-	121,500
<i>South Service Water Fund:</i>				
Water Main Replacement	650,880	200,000	-	850,880
	<u>\$ 2,121,652</u>	<u>\$ 304,951</u>	<u>\$ (151,453)</u>	<u>\$ 2,275,150</u>

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Committed Fund Balance

The Town had the following committed fund balances at December 31, 2019:

	<u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
<i>General Fund:</i>				
Housing	\$ 43,142	\$ 10,757	\$ -	\$ 53,899
SCW Lights	9,439	-	-	9,439
Downtown	64,256	-	(23,339)	40,917
Business Loan	33,598	-	(17,484)	16,114
Manager	71,268	-	(41,268)	30,000
Recreation	124,740	-	-	124,740
Police Surcharge	4,384	2,321	-	6,705
Soccer Dome	25,000	15,000	-	40,000
<i>Capital Improvement Fund:</i>				
Capital reserve	1,034,199	751,051	-	1,785,250
<i>Grand Elk Fund:</i>				
Operations reserve	50,056	-	(5,517)	44,539
Capital reserve	3,154	-	-	3,154
<i>Granby West GID Fund:</i>				
Operations reserve	799	-	-	799
<i>Grand Elk Ranch No. 2 GID Fund:</i>				
Operations reserve	2,036	560	-	2,596
	<u>\$ 1,466,071</u>	<u>\$ 779,689</u>	<u>\$ (87,608)</u>	<u>\$ 2,158,152</u>

V. Other Information

A. Retirement Plans Section 401(a) and Section 457

1. Deferred and/or Roth Compensation Plan – Section 457

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information (continued)

A. Retirement Plans Section 401(a) and Section 457

2. Retirement Plan - Section 401(a) (continued)

In 1980 the Town established a defined contribution money purchase plan with IDEAL Corporation as a Prototype Money Purchase Plan and Trust under Code Section 401 of the Internal Revenue code. The Plan has changed administration over the years and is presently with Matrix and uses Digital Retirement Solutions as its record keeper.

All Town employees, except police officers, receive a five-percent (5%) contribution to the plan, in addition to social security. Police Officers receive a contribution of 11.2% and are required to match 8% to the plan, and they are not subject to social security taxes. Only full-time employees who have been with the Town for six consecutive months are eligible, whereas Police Officers are immediately eligible. The Town's covered payroll for Police Officers and other participating employees for 2019 is \$460,963 and \$1,073,756, respectively. Total contributions to the Plan were \$157,138, which consisted of \$120,261 from the Town and \$36,877 from the employees.

The Town is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

B. Other Employee Benefits

All Town employees may continue their health insurance due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the insurance carrier for premiums from the termination date of coverage and monthly thereafter. No cost to the Town is recognized.

C. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage.

D. Tax Abatements

The Town has entered into various agreements in order to meet development goals within certain areas of Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.

Granby Ranch	Sales & Use Tax	Annexation Agreement	50% of Tax through April 13, 2023	Paid to area developer
Mountainside	Sales Tax	Annexation Agreement	50% of Tax through Oct 28, 2022	Paid to area HOA
Sun	Sales & Use Tax	Annexation Agreement	50% of Tax beginning upon completion	Paid to area developer

The agreement was authorized by the Town Board after analyzing criteria that includes the ability to encouraging development within the specific abatement area. The Town had no agreements that were prohibited from disclosure. The above list includes all abatement agreements, none of which have any impact on other governments.

Town of Granby
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information (continued)

E. Subsequent Events

The spread of COVID-19 may have operational, economic and financial impacts on the Town. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property taxes	355,462	355,462	354,139	(1,323)	343,520
Specific ownership tax	24,250	24,250	30,324	6,074	24,835
Sales & Use	3,314,400	3,808,150	4,016,512	208,362	3,166,652
Franchise tax	145,185	145,185	132,891	(12,294)	128,736
Other taxes	24,600	24,600	29,262	4,662	24,855
Total Taxes	<u>3,863,897</u>	<u>4,357,647</u>	<u>4,563,128</u>	<u>205,481</u>	<u>3,688,598</u>
Licenses and Permits:					
Other licenses and permits	103,450	103,450	16,318	(87,132)	19,804
Intergovernmental Revenue:					
Grant revenue	12,523	12,523	21,671	9,148	275,113
State highway users tax	62,000	62,000	77,391	15,391	78,571
County road and bridge	9,600	9,600	7,884	(1,716)	8,622
Total Intergovernmental Revenue	<u>84,123</u>	<u>84,123</u>	<u>106,946</u>	<u>22,823</u>	<u>362,306</u>
Charges for Services:					
Zoning and subdivision fees	2,638	2,638	3,070	432	4,178
Recreation revenue	138,850	138,850	168,339	29,489	150,951
Mosquito revenue	41,142	32,000	32,000	-	25,499
Other charges for services	241,800	27,300	149,248	121,948	132,052
Rents	40,159	40,159	40,049	(110)	39,530
Total Charges for Services	<u>464,589</u>	<u>240,947</u>	<u>392,706</u>	<u>151,759</u>	<u>352,210</u>
Fines and Forfeitures:					
Traffic fines	62,250	62,250	72,494	10,244	73,329
Miscellaneous Revenue:					
Investment income	5,000	25,000	27,588	2,588	5,557
Donations and contributions	10,000	10,000	8,771	(1,229)	9,441
Other income	27,181	27,181	27,309	128	45,825
Total Miscellaneous Revenue	<u>42,181</u>	<u>62,181</u>	<u>63,668</u>	<u>1,487</u>	<u>60,823</u>
Total Revenues	<u>4,620,490</u>	<u>4,910,598</u>	<u>5,215,260</u>	<u>304,662</u>	<u>4,557,070</u>
Expenditures:					
General Government:					
Legislative	236,843	299,963	239,722	60,241	195,172
Economic development	263,350	287,833	228,635	59,198	141,650
Administrative	774,108	781,796	738,957	42,839	643,893
Planning	120,449	127,949	88,791	39,158	126,460
Municipal court	26,951	26,951	21,604	5,347	23,699
Program project and facility	552,190	552,190	445,792	106,398	302,257
Total General Government	<u>1,973,891</u>	<u>2,076,682</u>	<u>1,763,501</u>	<u>313,181</u>	<u>1,433,131</u>
Public Safety:					
Police and public safety	1,187,094	1,212,671	1,135,507	77,164	989,961
Streets:					
Streets	768,916	768,916	687,728	81,188	475,798
Parks and Recreation:					
Recreation	371,627	385,627	378,463	7,164	322,101
Parks	294,462	294,462	250,180	44,282	228,893
Total Parks and Recreation	<u>666,089</u>	<u>680,089</u>	<u>628,643</u>	<u>51,446</u>	<u>550,994</u>
Capital Outlay:					
Capital outlay and repairs	24,500	24,500	16,854	7,646	354,574
Debt Service:					
Interest	-	-	-	-	119,465
Principal	-	-	-	-	5,885,409
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,004,874</u>
Total Expenditures	<u>4,620,490</u>	<u>4,762,858</u>	<u>4,232,233</u>	<u>530,625</u>	<u>9,809,332</u>
Excess (Deficiency) of Revenues over Expenditures	-	147,740	983,027	835,287	(5,252,262)
Other Financing Sources (Uses):					
Transfer (out)	-	(390,000)	(390,000)	-	(895,561)
Sale of Assets	-	-	-	-	6,172,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>(390,000)</u>	<u>(390,000)</u>	<u>-</u>	<u>5,276,939</u>
Net Change in Fund Balance	<u>-</u>	<u>(242,260)</u>	<u>593,027</u>	<u>835,287</u>	<u>24,677</u>
Fund Balance - Beginning			<u>3,042,801</u>		<u>3,018,124</u>
Fund Balance - Ending			<u>3,635,828</u>		<u>3,042,801</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Grand Elk General Improvement District
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	349,933	349,933	355,799	5,866	336,706
Charges for services	586,000	586,000	575,184	(10,816)	576,085
Investment income	9,075	9,075	18,454	9,379	15,789
Miscellaneous	76,000	80,779	-	(80,779)	200,000
Total Revenues	<u>1,021,008</u>	<u>1,025,787</u>	<u>949,437</u>	<u>(76,350)</u>	<u>1,128,580</u>
Expenditures:					
General government	151,053	164,745	83,968	80,777	221,373
Streets	26,174	26,174	19,090	7,084	23,455
Debt service	819,883	819,883	759,883	60,000	748,039
Total Expenditures	<u>997,110</u>	<u>1,010,802</u>	<u>862,941</u>	<u>147,861</u>	<u>992,867</u>
Excess (Deficiency) of Revenues Over Expenditures	23,898	14,985	86,496	71,511	135,713
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	27,439
Transfers (out)	-	-	-	-	(27,439)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>23,898</u>	<u>14,985</u>	<u>86,496</u>	<u>71,511</u>	<u>135,713</u>
Fund Balances - Beginning			<u>978,824</u>		<u>843,111</u>
Fund Balances - Ending			<u>1,065,320</u>		<u>978,824</u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales and use tax	473,486	473,486	573,787	100,301	452,379
Intergovernmental revenue	-	-	-	-	6,250
Donations			10,000	10,000	-
Investment income	-	-	9,435	9,435	1,339
Gravel Sales	300,000	300,000	201,760	(98,240)	
Miscellaneous income	12,500	12,500	31,641	19,141	16,702
Total Revenues	<u>785,986</u>	<u>785,986</u>	<u>826,623</u>	<u>40,637</u>	<u>476,670</u>
Expenditures:					
Capital Outlay:					
Capital outlay and repairs	1,009,950	1,009,950	465,573	544,377	378,675
Total Expenditures	<u>1,009,950</u>	<u>1,009,950</u>	<u>465,573</u>	<u>544,377</u>	<u>378,675</u>
Excess (Deficiency) of Revenues over Expenditures	(223,964)	(223,964)	361,050	585,014	97,995
Other Financing Sources (Uses):					
Transfer In	-	390,000	390,000	-	318,169
Sale of Assets	-	-	-	-	80,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>390,000</u>	<u>390,000</u>	<u>-</u>	<u>398,169</u>
Net Change in Fund Balance	<u>(223,964)</u>	<u>166,036</u>	751,050	<u>585,014</u>	496,164
Fund Balance - Beginning			1,034,199		538,035
Fund Balance - Ending			<u>1,785,249</u>		<u>1,034,199</u>

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

SUPPLEMENTARY INFORMATION



**Town of Granby, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019**

	<u>Special Revenue</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Conservation Trust</u>	<u>Granby West GID</u>	<u>Grand Elk Ranch No 2 GID</u>	
Assets:				
Cash and investments - Unrestricted	39,570	799	2,611	42,980
Cash with County Treasurer	-	-	4	4
Receivables, net of allowance for uncollectibles	-	-	641	641
Total Assets	<u>39,570</u>	<u>799</u>	<u>3,256</u>	<u>43,625</u>
Liabilities and Fund Equity:				
Liabilities:				
Deferred Revenue	-	-	642	642
Total Liabilities	<u>-</u>	<u>-</u>	<u>642</u>	<u>642</u>
Fund Balances:				
Spendable:				
Restricted for emergencies	-	-	20	20
Restricted for recreation	39,570	-	-	39,570
Committed	-	799	2,594	3,393
Total Fund Balances	<u>39,570</u>	<u>799</u>	<u>2,614</u>	<u>42,983</u>
Total Liabilities and Fund Balances	<u>39,570</u>	<u>799</u>	<u>3,256</u>	<u>43,625</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue				Total Nonmajor Governmental Funds
	Conservation Trust	Parking	Granby West GID	Grand Elk Ranch No 2 GID	
Revenues:					
Taxes	-	-	-	651	651
Intergovernmental revenue	23,708	-	-	-	23,708
Investment income	295	-	-	-	295
Total Revenues	<u>24,003</u>	<u>-</u>	<u>-</u>	<u>651</u>	<u>24,654</u>
Expenditures:					
General government	-	-	-	91	91
Capital outlay and repairs	17,265	-	-	-	17,265
Total Expenditures	<u>17,265</u>	<u>-</u>	<u>-</u>	<u>91</u>	<u>17,356</u>
Excess (Deficiency) of Revenues Over Expenditures	6,738	-	-	560	7,298
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	6,738	-	-	560	7,298
Fund Balances - Beginning	<u>32,832</u>	<u>-</u>	<u>799</u>	<u>2,054</u>	<u>35,685</u>
Fund Balances - Ending	<u><u>39,570</u></u>	<u><u>-</u></u>	<u><u>799</u></u>	<u><u>2,614</u></u>	<u><u>42,983</u></u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	<u>2019</u>			Final Budget Variance Positive (Negative)	<u>2018</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental revenue:					
State lottery funds	21,000	21,000	23,708	2,708	20,463
Investment income	<u>125</u>	<u>125</u>	<u>295</u>	<u>170</u>	<u>132</u>
Total Revenues	<u>21,125</u>	<u>21,125</u>	<u>24,003</u>	<u>2,878</u>	<u>20,595</u>
Expenditures:					
Capital outlay and repairs	<u>20,000</u>	<u>20,000</u>	<u>17,265</u>	<u>2,735</u>	<u>27,034</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>17,265</u>	<u>2,735</u>	<u>27,034</u>
Net Change in Fund Balance	<u><u>1,125</u></u>	<u><u>1,125</u></u>	6,738	<u><u>5,613</u></u>	(6,439)
Fund Balance - Beginning			<u>32,832</u>		<u>39,271</u>
Fund Balance - Ending			<u><u>39,570</u></u>		<u><u>32,832</u></u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Parking Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	2019		Final Budget Variance Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
Revenues:				
Licenses and Permits:				
Investment income	60	-	(60)	56
Total Revenues	60	-	(60)	56
Net Change in Fund Balance	60	-	(60)	56
Other Financing Sources (Uses):				
Transfers (out)	-	-	-	(18,169)
Total Other Financing Sources (Uses)	-	-	-	(18,169)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)		-		(18,113)
Fund Balance - Beginning		-		18,113
Fund Balance - Ending		-		-

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Granby West General Improvement District
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	<u>2019</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2018</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes:				
Property tax	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government:				
Administration	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	-	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>799</u>	<u>799</u>	<u>799</u>
Fund Balances - Ending	<u><u>-</u></u>	<u><u>799</u></u>	<u><u>799</u></u>	<u><u>799</u></u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Grand Elk Ranch No. 2 General Improvement District
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	<u>2019</u>			<u>2018</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Property tax	599	599	-	598
Specific ownership tax	38	52	14	44
Total Revenues	<u>637</u>	<u>651</u>	<u>14</u>	<u>642</u>
Expenditures:				
General government:				
Administration	750	61	689	-
Treasurer fees	30	30	-	30
Total Expenditures	<u>780</u>	<u>91</u>	<u>689</u>	<u>30</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(143)</u>	<u>560</u>	<u>703</u>	<u>612</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(143)</u>	<u>560</u>	<u>703</u>	<u>612</u>
Fund Balances - Beginning	<u>-</u>	<u>2,054</u>	<u>2,054</u>	<u>1,442</u>
Fund Balances - Ending	<u>(143)</u>	<u>2,614</u>	<u>2,757</u>	<u>2,054</u>

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

Town of Granby, Colorado
Combining Schedule
Grand Elk General Improvement District
For the Year Ended December 31, 2019

	<u>Operations</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes:				
Property tax	64,308	263,375	-	327,683
Specific ownership tax	5,518	22,598	-	28,116
Charges for services	-	575,184	-	575,184
Investment income	139	18,315	-	18,454
Total Revenues	<u>69,965</u>	<u>879,472</u>	<u>-</u>	<u>949,437</u>
Expenditures:				
General government:				
Administration	45,842	2,400	-	48,242
Operating expenses	13,529	-	-	13,529
Treasurer fees	3,219	18,978	-	22,197
Streets	19,090	-	-	19,090
Debt service:				
Interest	-	314,383	-	314,383
Principal	-	445,000	-	445,000
Other	-	500	-	500
Total Expenditures	<u>81,680</u>	<u>781,261</u>	<u>-</u>	<u>862,941</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,715)	98,211	-	86,496
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(11,715)	98,211	-	86,496
Fund Balances - Beginning	<u>84,736</u>	<u>890,934</u>	<u>3,154</u>	<u>978,824</u>
Fund Balances - Ending	<u><u>73,021</u></u>	<u><u>989,145</u></u>	<u><u>3,154</u></u>	<u><u>1,065,320</u></u>

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

**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES AND STREETS**



Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
North Service Area Water Fund
(With Comparative Actual Amounts For the Year Ended 2018)

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales	582,430	582,430	618,974	36,544	562,009
Other revenue	4,550	39,450	38,036	(1,414)	9,284
Interest revenue	1,500	1,500	7,453	5,953	1,902
Grants and contributions	7,887	7,887	39,848	31,961	20,375
Total Revenues	<u>596,367</u>	<u>631,267</u>	<u>704,311</u>	<u>73,044</u>	<u>593,570</u>
Expenditures:					
Salaries and wages	206,198	219,444	209,219	10,225	199,088
Employee benefits	89,888	89,888	92,734	(2,846)	76,560
Utilities	44,200	44,200	38,368	5,832	36,324
Repairs and maintenance	64,000	70,801	42,814	27,987	46,953
Insurance	16,500	16,500	14,915	1,585	14,488
Other purchased services	23,756	23,756	12,786	10,970	24,596
Supplies	36,625	45,625	39,166	6,459	32,155
Bond principal	16,171	16,171	16,170	1	15,549
Interest expense	4,290	4,290	3,751	539	4,394
Capital outlay and repairs	250,000	257,500	246,480	11,020	36,305
Total Expenditures	<u>751,628</u>	<u>788,175</u>	<u>716,403</u>	<u>71,772</u>	<u>486,412</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>(155,261)</u>	<u>(156,908)</u>	(12,092)	<u>144,816</u>	107,158
Reconciliation to GAAP Basis:					
Capitalized assets			242,163		36,305
Depreciation			(99,840)		(83,668)
Loan principal			16,170		15,549
Net (Loss) - GAAP Basis			<u>146,401</u>		<u>75,344</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Moraine Park Water Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales	44,335	44,335	44,017	(318)	40,332
Other revenue	-	-	17	17	-
Interest revenue	115	115	400	285	132
Grants and Contributions	-	15,000	15,799	799	11,236
Total Revenues	44,450	59,450	60,233	783	51,700
Expenditures:					
Salaries and wages	16,290	16,392	16,059	333	14,590
Employee benefits	6,414	6,414	6,825	(411)	5,796
Utilities	5,900	5,900	5,809	91	5,320
Repairs and maintenance	7,000	7,000	2,728	4,272	9,746
Insurance	2,350	2,350	2,318	32	2,278
Other purchased services	3,915	18,915	15,960	2,955	10,186
Supplies	2,800	2,800	2,433	367	1,764
Total Expenditures	44,669	59,771	52,132	7,639	49,680
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	(219)	(321)	8,101	8,422	2,020
Reconciliation to GAAP Basis:					
Depreciation			(42,763)		(42,763)
Net Income (Loss) - GAAP Basis			(34,662)		(40,743)

Town of Granby
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Water Enterprise Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	<u>2019</u>			<u>Final Budget</u>	<u>2018</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Utility sales:					
Town sales	980,832	980,832	1,007,303	26,471	958,599
Other revenue	1,200	1,200	5,389	4,189	7,259
Interest revenue	2,000	2,000	17,002	15,002	3,232
Grants and contributions	-	-	-	-	4,929
Plant investment fees	13,368	13,368	207,204	193,836	278,758
Total Revenues	<u>997,400</u>	<u>997,400</u>	<u>1,236,898</u>	<u>239,498</u>	<u>1,252,777</u>
Expenditures:					
Salaries and wages	142,000	142,000	131,414	10,586	114,869
Employee benefits	60,630	60,630	68,286	(7,656)	52,984
Utilities	78,400	78,400	54,948	23,452	60,645
Repairs and maintenance	111,000	111,000	63,390	47,610	58,839
Insurance	30,250	30,250	29,191	1,059	29,407
Other purchased services	40,140	40,140	26,566	13,574	22,532
Supplies	109,125	109,125	65,748	43,377	64,293
Capital outlay and repairs	100,000	100,000	90,231	9,769	86,602
Total Expenditures	<u>671,545</u>	<u>671,545</u>	<u>529,774</u>	<u>141,771</u>	<u>490,171</u>
Excess (Deficiency) of Revenues					
Budget Over Expenditures	<u>325,855</u>	<u>325,855</u>	707,124	<u>381,269</u>	762,606
(Non-GAAP) Basis					
Reconciliation to GAAP Basis:					
Capitalized assets			90,231		86,602
Depreciation			<u>(541,476)</u>		<u>(534,047)</u>
Net Income (Loss) - GAAP Basis			<u>255,879</u>		<u>315,161</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Sewer Enterprise Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales:					
Town and SCWSD sales	280,345	280,345	283,121	2,776	268,072
Billed on behalf of Granby San. District	476,160	482,178	482,178	-	469,295
Other revenue	224,607	224,607	224,936	329	225,063
Interest revenue	2,300	10,600	11,407	807	2,889
Sewer plant investment fees	3,200	3,200	51,200	48,000	72,907
Total Revenues	986,612	1,000,930	1,052,842	51,912	1,038,226
Expenditures:					
Salaries and wages	96,000	99,728	96,122	3,606	84,713
Employee benefits	41,067	49,535	49,292	243	38,819
Utilities	3,000	3,000	2,829	171	3,079
Repairs and maintenance	45,500	45,500	19,313	26,187	13,335
Insurance	15,500	15,500	14,645	855	14,747
Other purchased services	35,810	35,855	21,068	14,787	19,858
District's share of utility sales	476,160	482,178	482,178	-	469,295
Supplies	18,375	18,375	14,357	4,018	12,556
Bond principal	99,125	99,125	99,124	1	97,172
Interest expense	39,214	39,214	38,882	332	40,841
Capital outlay and repairs	18,000	18,000	17,419	581	10,595
Total Expenditures	887,751	906,010	855,229	50,781	805,010
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	98,861	94,920	197,613	102,693	233,216
Reconciliation to GAAP Basis:					
Capitalized assets			17,419		10,595
Depreciation			(292,828)		(290,365)
Loan principal			99,124		97,172
Net Income (Loss) - GAAP Basis			21,328		50,618

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Internal Service Fund
Fleet Fund
For the Year Ended December 31, 2019
(With Comparative Actual Amounts For the Year Ended 2018)

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for service	193,425	193,425	193,425	-	-
Gain (loss) on fixed assets	5,500	5,500	5,500	-	-
Interest	-	-	3,970	3,970	-
Capital contributions	-	-	-	-	784,558
Transfer in	-	-	-	-	595,561
Total Revenues	198,925	198,925	202,895	3,970	1,380,119
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	-	198,925	202,895	3,970	1,380,119
Reconciliation to GAAP Basis:					
Gain (loss) on fixed assets			5,500		
Depreciation			(185,492)		(151,843)
Net Income (Loss) - GAAP Basis			22,903		1,228,276

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

**REPORT AND SCHEDULE FOR REPORTING
REQUIREMENT OF UNIFORM GUIDANCE**



LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2019

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	33,246
1. Sales Taxes	573,788	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	30,324	g. Other Misc. Receipts	
6. Total (1. through 5.)	604,112	h. Other	
c. Total (a. + b.)	604,112	i. Total (a. through h.)	33,246
	(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	63,611	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (S.B. 18-0001)	13,780	f. Other Federal	
f. Total (a. through e.)	13,780	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	77,391	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		23,232	23,232
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		209,400	209,400
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	209,400	209,400
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	232,632	232,632
			(Carry forward to page 1)

Notes and Comments:

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Granby
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	Sharon Spurlin, Finance Director 970 887-2501

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)	232,632
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	311,086
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	683,413
2. General fund appropriations	936,452	b. Snow and ice removal	262,433
3. Other local imposts (from page 2)	604,112	c. Other	0
4. Miscellaneous local receipts (from page 2)	33,246	d. Total (a. through c.)	945,846
5. Transfers from toll facilities		4. General administration & miscellaneous	214,273
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,703,837
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,573,810	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	77,391	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,651,201	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			1,703,837

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	517,099	1,651,201	1,703,837	464,463	0

Notes and Comments: