

Town of Dillon, Colorado



Financial Statements December 31, 2019



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**HINKLE &
COMPANY**
Strategic PC
Business Advisors

Independent Auditors' Report

Honorable Mayor and Town Council
Town of Dillon
Dillon, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Hick & Company, PC

Greenwood Village, Colorado
June 26, 2020



Management's Discussion and Analysis

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

Financial Highlights

- The assets of the Town of Dillon exceeded its liabilities at the close of fiscal year 2019 by \$35,684,270 (*net position*). Of this amount, \$7,795,887 (*unrestricted net position*) may be used to meet the Town of Dillon's ongoing obligations to citizens and creditors.
- The Town of Dillon's total net position increased by \$3,454,819.
- As of the close of the fiscal year 2019, the Town of Dillon's governmental activities reported ending net position of \$18,954,798 an increase of \$3,074,564 compared with the prior year. Approximately 22.47% of this total amount, \$4,258,452, is available for spending at the Town's discretion (*unrestricted net position*).
- At the end of the fiscal year ended December 31, 2019, unrestricted fund balance for the General Fund was \$2,689,420, or 43.67% of the total general fund expenditures.
- The Town of Dillon's total debt decreased by \$745,986 during the fiscal year ended December 31, 2019.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Dillon's basic financial statements, which are comprised of 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 themselves.

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

The *statement of net position* presents information on all of the Town of Dillon's assets and liabilities and deferred inflows of resources, with the difference 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 of Dillon is improving or deteriorating.

The *statement of activities* presents information showing how the Town'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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Dillon that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Dillon include general government, public safety, public works, community development, culture and recreation, housing and the Dillon Urban Renewal Authority. The business-type activities of the Town of Dillon include a water utility that treats and distributes water (the Water Fund), a sewer utility that maintains the sewer collection system (the Sewer Fund) and a marina program (the Marina Fund) that operates and maintains the Dillon Marina.

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 of Dillon, 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 of Dillon can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 short-term financing requirements. This accounting method is called modified accrual accounting.

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 short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Dillon maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund and Street Improvement Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Dillon adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. The Town of Dillon maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Dillon uses enterprise funds to account for its water and sewer utilities and marina 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 the Water, Sewer and Marina Funds, all of which are considered to be major funds of the Town of Dillon.

Fiduciary funds. The Town of Dillon has one fiduciary fund, the Summit County Telecommunications Consortium (SCTC). The activities of the SCTC are reported in a separate Statement of Assets and Liabilities and Changes in Assets and Liabilities. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Dillon's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements are found on pages 22 and 59 of this report.

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 immediately following the basic financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements and the required supplementary information. The combining fund statements can be found on pages 48-49.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Dillon, assets exceeded liabilities by \$35,684,270 at the close of the fiscal year 2019.

The net position of the Town at December 31, 2019 was:

Town of Dillon's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 9,640,378	\$ 7,867,471	\$ 6,239,711	\$ 5,563,661	\$ 15,880,089	\$ 13,431,132
Capital Assets	22,365,209	21,630,833	14,790,860	15,297,342	37,156,069	36,928,175
Total Assets	<u>32,005,587</u>	<u>29,498,304</u>	<u>21,030,571</u>	<u>20,861,003</u>	<u>53,036,158</u>	<u>50,359,307</u>
Total Deferred Outflows of Resources	559,736	360,868	-	-	559,736	360,868
Other Liabilities	699,742	398,352	149,503	137,460	849,245	535,812
Noncurrent Liabilities	12,600,026	13,066,118	4,151,596	4,374,326	16,751,622	17,440,444
Total Liabilities	<u>13,299,768</u>	<u>13,464,470</u>	<u>4,301,099</u>	<u>4,511,786</u>	<u>17,600,867</u>	<u>17,976,256</u>
Total Deferred Inflows of Resources	590,651	514,468	-	-	590,651	514,468
Net Position:						
Invested in Capital Assets, Net of Related Debt	10,318,394	8,883,707	13,192,037	12,892,147	23,510,431	21,775,854
Restricted	4,377,952	2,859,487	-	-	4,377,952	2,859,487
Unrestricted	4,258,452	4,137,040	3,537,435	3,457,070	7,795,887	7,594,110
Total Net Position	<u>\$ 18,954,798</u>	<u>\$ 15,880,234</u>	<u>\$ 16,729,472</u>	<u>\$ 16,349,217</u>	<u>\$ 35,684,270</u>	<u>\$ 32,229,451</u>

A large portion of the Town of Dillon's net position (65.9%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Dillon's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town of Dillon's net position (12.27%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$7,795,887) may be used to meet the Town's ongoing obligations to citizens and creditors.

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

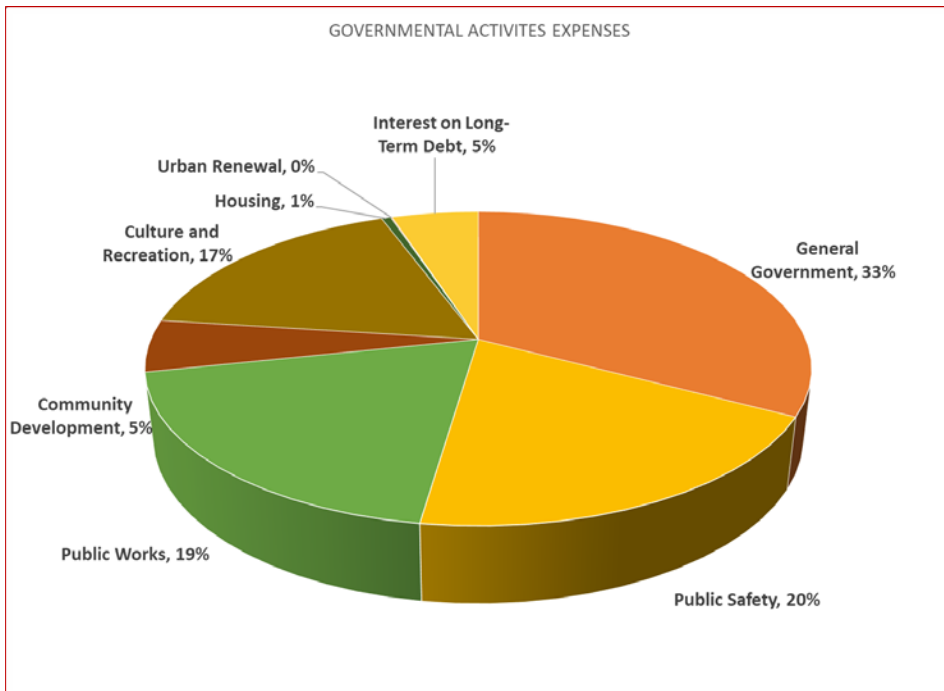
The Town of Dillon's net position increased by \$3,454,819 during the fiscal year 2019. The net position of Governmental Activities increased by \$3,074,564 which can be attributed to an increase in revenues including sales tax and lodging tax. Net position of Business-Type Activities increased by \$380,255 which is the result of an increase in water usage fees, water and sewer tap fees, marina fees and an increase in the investment in the Joint Sewer Authority offset by increases in personnel costs.

Town of Dillon's Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues						
Charges for Services	\$ 889,202	\$ 775,067	\$ 3,777,037	\$ 3,686,368	\$ 4,666,239	\$ 4,461,435
Operating Grants and Contributions	145,601	122,929	-	-	145,601	122,929
Capital Grants and Contributions	1,170,939	1,002,011	436,708	367,579	1,607,647	1,369,590
General Revenues						
Sales Tax	7,941,720	7,032,988	-	-	7,941,720	7,032,988
Property Tax	227,576	228,202	-	-	227,576	228,202
Lodging Tax	233,209	203,246	-	-	233,209	203,246
Other Tax	646,799	551,472	-	-	646,799	551,472
Grants & Contributions not Restricted to Specific Programs	14,860	13,592	-	-	14,860	13,592
Other General Revenues	104,011	677,962	145,045	1,067,081	249,056	1,745,043
Total Revenues	<u>11,373,917</u>	<u>10,607,469</u>	<u>4,358,790</u>	<u>5,121,028</u>	<u>15,732,707</u>	<u>15,728,497</u>
Program Expenses						
General Government	2,893,252	2,566,232	-	-	2,893,252	2,566,232
Public Safety	1,730,552	1,224,267	-	-	1,730,552	1,224,267
Public Works	1,709,753	1,871,936	-	-	1,709,753	1,871,936
Community Development	474,232	381,104	-	-	474,232	381,104
Culture and Recreation	1,530,399	1,322,824	-	-	1,530,399	1,322,824
Housing	47,010	125,834	-	-	47,010	125,834
Urban Renewal	7,100	25,210	-	-	7,100	25,210
Interest on Long-Term Debt	444,055	463,579	-	-	444,055	463,579
Water	-	-	1,131,146	1,201,013	1,131,146	1,201,013
Sewer	-	-	762,149	948,613	762,149	948,613
Marina	-	-	1,548,240	1,435,086	1,548,240	1,435,086
Total Expenses	<u>8,836,353</u>	<u>7,980,986</u>	<u>3,441,535</u>	<u>3,584,712</u>	<u>12,277,888</u>	<u>11,565,698</u>
Transfers	537,000	22,000	(537,000)	(22,000)	-	-
Changes in Net Position	3,074,564	2,648,483	380,255	1,514,316	3,454,819	4,162,799
Net Position-Beginning of Year	<u>15,880,234</u>	<u>13,231,751</u>	<u>16,349,217</u>	<u>14,834,901</u>	<u>32,229,451</u>	<u>28,066,652</u>
Net Position-End of Year	<u>\$ 18,954,798</u>	<u>\$ 15,880,234</u>	<u>\$ 16,729,472</u>	<u>\$ 16,349,217</u>	<u>\$ 35,684,270</u>	<u>\$ 32,229,451</u>

Governmental activities. Governmental activities increased the Town of Dillon's net position by \$3,074,564. The following are illustrative summaries of Governmental Activities breaking out revenues and expenses:

- Sales tax, the primary source of revenues to the General Fund (69.8% of governmental revenues), increased \$908,732 from 2018. Increases were the result of new businesses in town, the change in online sales collections and a growing economy.
- Lodging tax collections increased 14.74% or \$29,963 over 2018 due to additional enforcement of online lodging and a growing economy.
- Charges for services increased 14.73% over 2018 due to increases in park reservations and events revenues.
- Operating grants and contributions were up 18.44% due to a increase in grant proceeds from the Colorado Department of Transportation for DUI and Click It or Ticket campaigns.
- Capital grants and contributions were up 16.9% due to the increase in workforce housing revenues from sales tax.



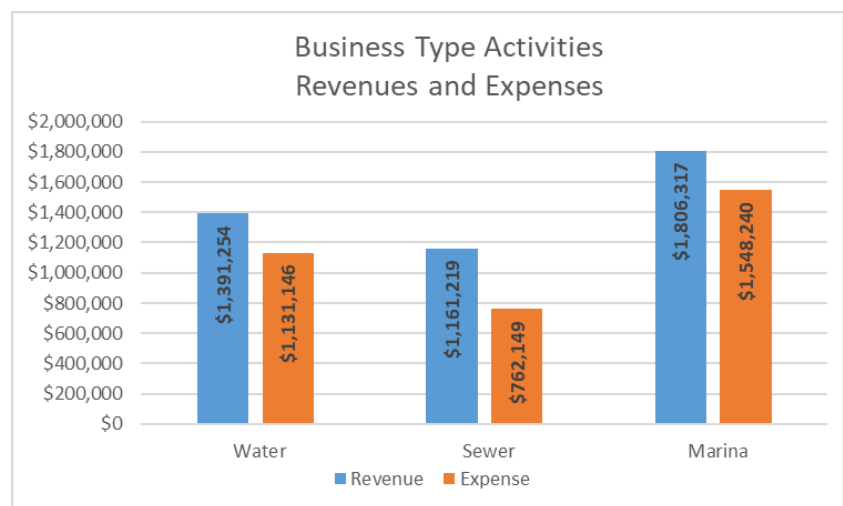
- Expenses for governmental activities are up 10.7%. The chart to the left (see *Governmental Activities Expenses*) represents department expenses as a percentage of the total expenses for governmental activities.
- General government expenses are up 12.7% due to additional events spending for concerts, economic development efforts and salary and benefit increases.
- Public safety expenses increased 41.4% due to full staffing in 2019

and increases in communication center fees.

- Public works expenses decreased 8.7% due to a decrease in spending on vehicle/equipment maintenance and vacancies in staffing.
- Community Development expenses increased 24.4% due to the addition of planning consulting services and additional legal services due to code amendments.
- Culture and Recreation increased 15.7% due to amphitheater and parks improvements.
- Core Services (public safety, public works and culture and recreation) make up 56% of the expenses. General Government consists of Town Council, general administration, economic development, marketing, communications and events.

Business-type activities. Business-type activities increased the Town of Dillon’s net position by \$380,255, accounting for 11% of growth in the Town’s net position. Key elements of this increase are as follows:

- Charges for services increased 2.5% due to increases in water usage fees and marina revenues.
- Water, Sewer and Marina Funds reflect net operating income as shown in the chart to the right.



Financial Analysis of the Town of Dillon's Funds

As noted earlier, the Town of Dillon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of Dillon's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Dillon's financing requirements. In particular, unrestricted 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 fiscal year 2019, the Town of Dillon's governmental funds reported combined ending fund balances of \$8,699,823, an increase of \$1,799,603 (26%) over 2018. Approximately 30.9% of this total amount constitutes unassigned fund balance (\$2,689,420), which is available for spending at the Town's discretion. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been either restricted for 1) emergencies (\$335,089), 2) parks and open space projects (\$36,457), 3) affordable housing projects (\$3,059,487), 4) streets (\$853,817), or assigned for 1) cemetery purposes (\$33,580), 2) capital projects (\$1,305,132) 3) urban renewal (\$235,788) or nonspendable for notes receivable (\$2,030), prepaid expenditures (\$55,921) and cemetery perpetual care balances (\$93,102).

The General Fund is the chief operating fund of the Town of Dillon. At the end of the fiscal year 2019, unassigned fund balance of the General Fund was \$2,689,420, while the total fund balance was \$3,082,460. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 43.67% and 50.05% of the total general fund expenditures, respectively.

The Capital Improvement Fund ended the year with a fund balance of \$1,305,132. The net decrease in fund balance during the fiscal year 2019 was \$211,441 as a result of Town Park improvements and the purchase of a sound system for the amphitheater.

The Street Improvement Fund was created in 2008 to account for the issuance of debt for funding street reconstruction projects that were approved by the voters in 2008. The funding source for the debt repayment is the voter approved .5% sales tax. The fund balance at December 31, 2019 is \$853,817. The net increase in the fund balance for 2019 was \$370,985 due to an increase in revenues with limited capital spending in 2019.

The Housing Initiative 5A Fund was created in 2007 to collect the voter approved sales tax of .725% and the impact fee. All expenditures must be used for affordable housing and the current fund balance is \$3,059,487. The Town is working in partnership with Summit County Government to plan and construct a workforce housing neighborhood on County Road 51.

The nonmajor special revenue funds include the Conservation Trust Fund, Cemetery Perpetual Care Fund and the Dillon Urban Renewal Authority. The fund balance in the Conservation Trust Fund (\$36,457) is restricted by the State of Colorado for parks and open space projects as approved by Great Outdoors Colorado (GOCO). The Cemetery Perpetual Care Fund has a current fund balance of \$126,682 and only the donations, capital fee and interest earnings can be

expended for cemetery purposes. The Cemetery Advisory Committee is charged with obtaining donations and make recommendations for future projects. The Dillon Urban Renewal Authority (DURA) was established by the Town for the purposes of revitalizing blighted areas. The Town Council serves as the governing body for DURA. The fund balance at December 31, 2019 is \$235,788.

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

Unrestricted net position of the Water, Sewer and Marina Funds at the end of the year amounted to \$3,537,435. The changes in net position for Water was a decrease of \$254,892, for Sewer and Marina an increase of \$399,070 and \$236,077 respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town of Dillon’s business-type activities.

General Fund Budgetary Highlights

The fund balance of the Town of Dillon’s General Fund increased by \$358,043 (13.14%) during the current fiscal year. Revenues were over budget by \$303,934 (4.6%) due to the growth in the economy, new businesses and paid concerts. Expenditures were under budget by \$169,810 (2.68%) due to staff vacancies in public works and operating spending in public safety and culture and recreation.

Capital Asset and Debt Administration

Town of Dillon's Capital Assets, Net of Accumulated Depreciation

	Governmental		Business Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	\$ 2,075,369	\$ 2,075,369	\$ 219,652	\$ 219,652	\$ 2,295,021	\$ 2,295,021
Water Rights	-	-	2,738,830	2,738,830	\$ 2,738,830	\$ 2,738,830
Construction in Progress	411,539	79,598	10,853	10,853	\$ 422,392	\$ 90,451
Infrastructure	20,616,335	19,912,720	9,331,834	9,331,834	\$ 29,948,169	\$ 29,244,554
Buildings	1,409,246	1,409,246	480,243	480,243	\$ 1,889,489	\$ 1,889,489
Equipment & Vehicles	3,081,939	2,955,509	1,141,927	1,020,178	\$ 4,223,866	\$ 3,975,687
Parks & Amphitheatre	14,581,456	13,471,870	-	-	\$ 14,581,456	\$ 13,471,870
Furniture & Fixtures	293,238	293,238	-	-	\$ 293,238	\$ 293,238
Water Plant	-	-	6,017,975	6,017,975	\$ 6,017,975	\$ 6,017,975
Improvements	-	-	5,089,835	5,089,835	\$ 5,089,835	\$ 5,089,835
Accumulated Depreciation	<u>(20,103,913)</u>	<u>(18,566,717)</u>	<u>(10,240,289)</u>	<u>(9,612,058)</u>	<u>\$ (30,344,202)</u>	<u>\$ (28,178,775)</u>
Total	<u>\$22,365,209</u>	<u>\$21,630,833</u>	<u>\$14,790,860</u>	<u>\$15,297,342</u>	<u>\$ 37,156,069</u>	<u>\$ 36,928,175</u>

Capital assets. The Town of Dillon’s investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$37,156,069 (net of accumulated depreciation). This investment in capital assets includes land, streets, sidewalks, buildings, equipment and vehicles, parks and amphitheater, furniture and fixtures, water plant, water and sewer lines, marina facilities and other improvements.

Major capital asset events during the current fiscal year included the following:

- Purchase of Amphitheater Sound System (\$625k)
- Amphitheater Fencing (\$284k)
- Replacement of South Tennis Court (\$229k)
- Purchase of Equipment/Vehicles (\$186k)
- Town Park Parking Lot (\$703k)
- Marina rental boats (\$143k)

Town of Dillon's Outstanding Debt

	Governmental		Business Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Water Utility Loans	\$ -	\$ -	\$ 2,714,954	\$ 2,832,441	\$ 2,714,954	\$ 2,832,441
Marina Facility Loans	-	-	1,418,174	1,527,255	\$ 1,418,174	\$ 1,527,255
Revenue Bonds	7,580,000	8,155,000	-	-	\$ 7,580,000	\$ 8,155,000
Capital Lease Obligations	4,645,903	4,790,997	-	-	\$ 4,645,903	\$ 4,790,997
Compensated Absences	104,019	130,890	18,469	14,631	\$ 122,488	\$ 145,521
Bond Discount	(9,790)	(10,769)	-	-	\$ (9,790)	\$ (10,769)
Total	<u>\$12,320,132</u>	<u>\$13,066,118</u>	<u>\$ 4,151,597</u>	<u>\$ 4,374,327</u>	<u>\$16,471,729</u>	<u>\$17,440,445</u>

Long-term debt. At the end of the current fiscal year, the Town of Dillon had total long-term debt outstanding of \$16,471,729. Of this amount, \$2,714,954 in water utility loans and \$1,428,174 for the marina shoreline replacement project, and \$7,580,000 in bonds secured solely by specified revenue sources (i.e. revenue bonds). Additionally, the Town of Dillon has \$4,645,903 in lease financing for the amphitheater improvements, \$122,488 in compensated absences and a bond discount (\$9,790). The Town of Dillon’s total debt decreased by \$968,716 during the current fiscal year.

Economic Factors and Next Year's Budget and Rates

- Sales tax revenues account for 70% of total governmental fund revenues and is the primary source for providing funds for general operations, maintenance, debt payments and capital projects of the Town of Dillon.
- Sales tax collections in 2020 were projected to be flat to 2019.
- Assessed valuations have increased by 5% from 2019 to 2020.
- General Fund expenditures increased 7.9% over the 2019 budget due to an increase in salary and benefits, consultant fees for planning and engineering due to the increase in development, events programming and economic development incentives.
- Capital spending represents 28% of the 2020 budget of all expenditures appropriated for capital projects in the Capital Improvement Fund, Street Improvement Fund, Water Fund, Sewer Fund and Marina Fund.
- Due to the pandemic in 2020, the Town has delayed two major capital projects: the Town Park improvements project and resurfacing of Town streets. Other capital projects in the Enterprise Funds will continue as staff does not anticipate reductions in revenues. Those improvements include water main replacement along Highway 6, replacement of sewer manholes, and replacement of a portion of the marina rental boat fleet.
- The Town continues to work on contingency plans based on information regarding the return of tourism to the Summit County area. Based on the local tax base that supports the Town of Dillon, the Town anticipates a reduction of 25% in sales and lodging taxes. The Town has reduced hiring of seasonal staffing for the summer, will not be filling two vacant positions and reduced operational spending in order to offset the anticipated declines in sales tax.

All of these factors were considered in the preparation for the Town of Dillon's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town of Dillon's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carri McDonnell, Finance Director, Town of Dillon, P.O. Box 8, Dillon, CO 80435, or to carrim@townofdillon.com, or (970) 262-3404.

TOWN OF DILLON, COLORADO
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 7,243,889	\$ 3,735,544	\$ 10,979,433
Accounts Receivable	87,814	169,863	257,677
Current Taxes Receivable	30,591	-	30,591
Intergovernmental Receivable	1,987,262	-	1,987,262
Property Taxes Receivable	547,871	-	547,871
Notes Receivable	2,030	-	2,030
Interfund Receivable	(315,000)	315,000	-
Prepaid Expenses	55,921	-	55,921
Investment in Joint Sewer Authority	-	2,019,304	2,019,304
Capital Assets			
Non-Depreciable Assets	2,486,908	2,969,335	5,456,243
Depreciable Assets, Net	19,878,301	11,821,525	31,699,826
Total Assets	<u>32,005,587</u>	<u>21,030,571</u>	<u>53,036,158</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	169,298		169,298
Pensions, Net of Accumulated Amortization	390,438	-	390,438
Total Deferred Outflows of Resources	<u>559,736</u>	<u>-</u>	<u>559,736</u>
LIABILITIES			
Accounts Payable	237,720	75,338	313,058
Interest Payable	27,164	49,074	76,238
Accrued Liabilities	123,720	25,091	148,811
Deposits	18,800	-	18,800
Unearned Revenues	12,444	-	12,444
Noncurrent Liabilities			
Due Within One Year	745,403	233,651	979,054
Due in More Than One Year	11,574,729	3,917,945	15,492,674
Net Pension Liability	279,894	-	279,894
Total Liabilities	<u>13,019,874</u>	<u>4,301,099</u>	<u>17,320,973</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions, Net of Accumulated Amortization	42,780	-	42,780
Property Taxes	547,871	-	547,871
Total Deferred Inflows of Resources	<u>590,651</u>	<u>-</u>	<u>590,651</u>
NET POSITION			
Net Investment in Capital Assets	10,318,394	13,192,037	23,510,431
Restricted for:			
Cemetery, Nonexpendable	93,102	-	93,102
Emergencies	335,089	-	335,089
Parks and Open Space	36,457	-	36,457
Housing	3,059,487	-	3,059,487
Streets	853,817	-	853,817
Unrestricted	4,258,452	3,537,435	7,795,887
Total Net Position	<u>\$ 18,954,798</u>	<u>\$ 16,729,472</u>	<u>\$ 35,684,270</u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES	OPERATING	CAPITAL	PRIMARY GOVERNMENT		
		FOR SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	\$ 2,893,252	\$ 92,981	\$ -	\$ -	\$ (2,800,271)	\$ -	\$ (2,800,271)
Public Safety	1,730,552	59,983	43,539	-	(1,627,030)	-	(1,627,030)
Public Works	1,709,753	-	102,062	-	(1,607,691)	-	(1,607,691)
Community Development	474,232	35,412	-	-	(438,820)	-	(438,820)
Culture and Recreation	1,530,399	700,826	-	10,998	(818,575)	-	(818,575)
Housing	47,010	-	-	1,159,941	1,112,931	-	1,112,931
Urban Renewal	7,100	-	-	-	(7,100)	-	(7,100)
Interest on Long-Term Debt	444,055	-	-	-	(444,055)	-	(444,055)
Total Governmental Activities	8,836,353	889,202	145,601	1,170,939	(6,630,611)	-	(6,630,611)
Business-Type Activities							
Water	1,131,146	1,128,760	-	246,221	-	243,835	243,835
Sewer	762,149	889,664	-	190,487	-	318,002	318,002
Marina	1,548,240	1,758,613	-	-	-	210,373	210,373
Total Business-Type Activities	3,441,535	3,777,037	-	436,708	-	772,210	772,210
TOTAL PRIMARY GOVERNMENT	\$ 12,277,888	\$ 4,666,239	\$ 145,601	\$ 1,607,647	(6,630,611)	772,210	(5,858,401)
GENERAL REVENUES							
Sales Taxes					7,941,720	-	7,941,720
Property Taxes					227,576	-	227,576
Lodging Tax					233,209	-	233,209
Other Tax					646,799	-	646,799
Grants & Contributions Not Restricted to Specific Programs					14,860	-	14,860
Interest					72,750	44,220	116,970
Miscellaneous					31,261	100,825	132,086
TOTAL GENERAL REVENUES					9,168,175	145,045	9,313,220
TRANSFERS					537,000	(537,000)	-
CHANGE IN NET POSITION					3,074,564	380,255	3,454,819
NET POSITION, Beginning					15,880,234	16,349,217	32,229,451
NET POSITION, Ending					\$ 18,954,798	\$ 16,729,472	\$ 35,684,270

TOWN OF DILLON, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General	Capital Improvement	Street Improvement	Housing Initiative 5A	Other Governmental Funds	Total Governmental Funds
ASSETS						
Assets						
Cash and Investments	\$ 2,170,751	\$ 1,225,861	\$ 633,700	\$ 2,803,455	\$ 410,122	\$ 7,243,889
Accounts Receivable	84,266	-	-	3,548	-	87,814
Current Taxes Receivable	30,591	-	-	-	-	30,591
Intergovernmental Receivable	1,108,384	394,478	220,117	264,283	-	1,987,262
Property Taxes Receivable	201,494	37,824	-	-	308,553	547,871
Notes Receivable	2,030	-	-	-	-	2,030
Due from Other Funds	11,195	200,000	-	-	-	211,195
Prepaid Expenditures	55,921	-	-	-	-	55,921
Total Assets	\$ 3,664,632	\$ 1,858,163	\$ 853,817	\$ 3,071,286	\$ 718,675	\$ 10,166,573
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 225,714	\$ 207	\$ -	\$ 11,799	\$ -	\$ 237,720
Accrued Liabilities	123,720	-	-	-	-	123,720
Deposits	18,800	-	-	-	-	18,800
Unearned Revenues	12,444	-	-	-	-	12,444
Due to Other Funds	-	515,000	-	-	11,195	526,195
Total Liabilities	380,678	515,207	-	11,799	11,195	918,879
Deferred Inflows of Resources						
Property Taxes	201,494	37,824	-	-	308,553	547,871
Fund Balances						
Nonspendable:						
Notes Receivable	2,030	-	-	-	-	2,030
Prepaid Expenditures	55,921	-	-	-	-	55,921
Cemetery	-	-	-	-	93,102	93,102
Restricted for:						
Emergencies	335,089	-	-	-	-	335,089
Parks and Open Space	-	-	-	-	36,457	36,457
Housing	-	-	-	3,059,487	-	3,059,487
Streets	-	-	853,817	-	-	853,817
Assigned to:						
Cemetery	-	-	-	-	33,580	33,580
Capital Projects	-	1,305,132	-	-	-	1,305,132
Urban Renewal	-	-	-	-	235,788	235,788
Unassigned	2,689,420	-	-	-	-	2,689,420
Total Fund Balances	3,082,460	1,305,132	853,817	3,059,487	398,927	8,699,823
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,664,632	\$ 1,858,163	\$ 853,817	\$ 3,071,286	\$ 718,675	

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

TOWN OF DILLON, COLORADO
**RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION**
For the Year Ended December 31, 2019

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

Total Fund Balances of Governmental Funds	8,699,823
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,365,209
Long-term liabilities, including bonds payable (\$7,580,000), leases payable (\$4,645,903), interest payable (\$27,164), accrued compensated absences (\$104,019) offset by bond discount \$9,790, FPPA pensions net of amortization \$67,764 and loss on refunding \$169,298 are not due and payable in the current period and, therefore, not reported in the funds.	<u>(12,110,234)</u>
Total Net Position of Governmental Activities	<u>\$ 18,954,798</u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	General	Capital Improvement	Street Improvement	Housing Initiative 5A	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 5,796,333	\$ 1,882,146	\$ 1,202,157	\$ -	\$ 168,668	\$ 9,049,304
Charges for Services	746,712	-	-	-	2,850	749,562
Licenses and Permits	80,880	-	-	-	-	80,880
Intergovernmental	160,461	-	-	925,655	10,998	1,097,114
Fines and Forfeitures	58,760	-	-	-	-	58,760
Interest	46,748	12,710	2,549	8,663	2,080	72,750
Miscellaneous	16,352	1,400	-	234,286	7,534	259,572
Total Revenues	<u>6,906,246</u>	<u>1,896,256</u>	<u>1,204,706</u>	<u>1,168,604</u>	<u>192,130</u>	<u>11,367,942</u>
EXPENDITURES						
Current						
General Government	2,828,530	-	-	-	-	2,828,530
Public Safety	1,448,105	-	-	-	-	1,448,105
Public Works	828,535	1,750	3,041	-	-	833,326
Community Development	472,937	-	-	-	-	472,937
Culture and Recreation	580,096	-	-	-	24,608	604,704
Housing	-	-	-	47,010	-	47,010
Urban Renewal	-	-	-	-	7,100	7,100
Capital Outlay	-	2,732,495	-	-	-	2,732,495
Debt Service						
Principal	-	145,094	575,000	-	-	720,094
Interest	-	170,058	255,680	-	-	425,738
Debt Issuance Costs	-	-	-	-	-	-
Total Expenditures	<u>6,158,203</u>	<u>3,049,397</u>	<u>833,721</u>	<u>47,010</u>	<u>31,708</u>	<u>10,120,039</u>
Excess of Revenues Over (Under) Expenditures	<u>748,043</u>	<u>(1,153,141)</u>	<u>370,985</u>	<u>1,121,594</u>	<u>160,422</u>	<u>1,247,903</u>
OTHER FINANCING SOURCES (USES)						
Sale of Assets	-	14,700	-	-	-	14,700
Transfer In	-	927,000	-	-	-	927,000
Transfer Out	(390,000)	-	-	-	-	(390,000)
Total Other Financing Sources (Uses)	<u>(390,000)</u>	<u>941,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,700</u>
Net Change in Fund Balances	358,043	(211,441)	370,985	1,121,594	160,422	1,799,603
Fund Balances, Beginning of Year	<u>2,724,417</u>	<u>1,516,573</u>	<u>482,832</u>	<u>1,937,893</u>	<u>238,505</u>	<u>6,900,220</u>
Fund Balances, End of Year	<u>\$ 3,082,460</u>	<u>\$ 1,305,132</u>	<u>\$ 853,817</u>	<u>\$ 3,059,487</u>	<u>\$ 398,927</u>	<u>\$ 8,699,823</u>

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

TOWN OF DILLON, COLORADO
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2019

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

Net Change in Fund Balances of Governmental Funds	\$ 1,799,603
Capital outlays to purchase or build capital assets \$2,029,412 are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense (\$1,618,252).	743,101
The net effect of various miscellaneous transactions involving capital assets (i.e. disposal of assets) are not reported in the governmental funds.	(8,725)
Repayments of bond principal \$575,000 and lease payments of \$145,094 are expenditures in the governmental funds, but they decrease long-term liabilities in the statement of net position and do not affect the statement of activities.	720,094
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in accrued compensated absences \$26,871 accrued interest payable \$1,466 and FPPA pensions (\$188,063)	(159,726)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loss on refunding (\$18,804) and amortization of bond discount (\$979)	<u>(19,783)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,074,564</u></u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
ASSETS				
Current Assets				
Cash and Investments	\$ 813,487	\$ 1,212,902	\$ 1,709,155	\$ 3,735,544
Due from Other Funds	515,000	-	-	515,000
Accounts Receivable	94,658	25,606	49,599	169,863
Total Current Assets	1,423,145	1,238,508	1,758,754	4,420,407
Noncurrent Assets				
Investment in Joint Sewer Authority	-	2,019,304	-	2,019,304
Capital Assets				
Non-Depreciable Assets	2,969,335	-	-	2,969,335
Depreciable Assets, Net	6,425,368	1,933,151	3,463,006	11,821,525
Total Noncurrent Assets	9,394,703	3,952,455	3,463,006	16,810,164
Total Assets	10,817,848	5,190,963	5,221,760	21,230,571
LIABILITIES				
Current Liabilities				
Accounts Payable	27,594	1,227	46,517	75,338
Interest Payable	46,906	-	2,168	49,074
Accrued Liabilities	8,943	3,204	12,944	25,091
Due to Other Funds	-	-	200,000	200,000
Leases and Loans Payable	120,579	-	113,072	233,651
Total Current Liabilities	204,022	4,431	374,701	583,154
Noncurrent Liabilities				
Compensated Absences	8,849	3,846	5,774	18,469
Leases and Loans Payable	2,594,374	-	1,305,102	3,899,476
Total Noncurrent Liabilities	2,603,223	3,846	1,310,876	3,917,945
Total Liabilities	2,807,245	8,277	1,685,577	4,501,099
NET POSITION				
Net Investment in Capital Assets	7,194,750	3,952,455	2,044,832	13,192,037
Unrestricted	815,853	1,230,231	1,491,351	3,537,435
TOTAL NET POSITION	\$ 8,010,603	\$ 5,182,686	\$ 3,536,183	\$ 16,729,472

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

TOWN OF DILLON, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
OPERATING REVENUES				
Charges for Services	\$ 1,128,760	\$ 889,664	\$ 1,758,613	\$ 3,777,037
Total Operating Revenues	1,128,760	889,664	1,758,613	3,777,037
OPERATING EXPENSES				
Operations	411,786	114,480	1,213,966	1,740,232
Maintenance	171,693	45,025	66,854	283,572
Distribution	35,961	-	-	35,961
Treatment	77,238	522,556	-	599,794
Depreciation	354,435	80,088	214,407	648,930
Total Operating Expenses	1,051,113	762,149	1,495,227	3,308,489
Operating Income (Loss)	77,647	127,515	263,386	468,548
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	13,348	18,478	12,394	44,220
Miscellaneous Revenue	2,925	9,767	35,310	48,002
Interest Expense	(80,033)	-	(53,013)	(133,046)
Joint Sewer Authority	-	52,823	-	52,823
Total Nonoperating Revenues (Expenses)	(63,760)	81,068	(5,309)	11,999
Net Income (Loss) Before Transfers and Capital Contributions	13,887	208,583	258,077	480,547
Transfer Out	(515,000)	-	(22,000)	(537,000)
Capital Contributions-Tap Fees	246,221	190,487	-	436,708
CHANGE IN NET POSITION	(254,892)	399,070	236,077	380,255
NET POSITION, Beginning	8,265,495	4,783,616	3,300,106	16,349,217
NET POSITION, Ending	\$ 8,010,603	\$ 5,182,686	\$ 3,536,183	\$ 16,729,472

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

TOWN OF DILLON, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended December 31, 2018

	Water Fund	Sewer Fund	Marina Fund	Total Business-Type Activities
CASH FLOW FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 611,541	\$ 877,202	\$ 1,727,615	\$ 3,216,358
Cash Paid to Suppliers	(395,710)	(636,155)	(596,589)	(1,628,454)
Cash Paid to Employees	(280,067)	(70,248)	(662,750)	(1,013,065)
Net Cash Provided (Used) by Operating Activities	<u>(64,236)</u>	<u>170,799</u>	<u>468,276</u>	<u>574,839</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	-	-	(142,800)	(142,800)
Debt Principal Payments	(117,487)	-	(109,081)	(226,568)
Interest Payments	(81,674)	-	(53,179)	(134,853)
Tap Fees Received	246,221	190,487	-	436,708
Transfer Out	(515,000)	-	(22,000)	(537,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(467,940)</u>	<u>190,487</u>	<u>(327,060)</u>	<u>(604,513)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous	2,925	9,767	35,310	48,002
Net Cash Provided by Noncapital Financing Activities	<u>2,925</u>	<u>9,767</u>	<u>35,310</u>	<u>48,002</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	13,348	18,478	12,394	44,220
Net Cash Provided by Investing Activities	<u>13,348</u>	<u>18,478</u>	<u>12,394</u>	<u>44,220</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(515,903)	389,531	188,920	62,548
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>1,329,390</u>	<u>823,371</u>	<u>1,520,235</u>	<u>3,672,996</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 813,487</u>	<u>\$ 1,212,902</u>	<u>\$ 1,709,155</u>	<u>\$ 3,735,544</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income	\$ 77,647	\$ 127,515	\$ 263,386	\$ 468,548
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	354,435	80,088	214,407	648,930
Net Gain from Joint Venture	-	(11,981)	-	(11,981)
Disposal of Assets	-	-	352	352
Changes in Assets and Liabilities				
Accounts Receivable	(517,219)	(481)	(30,998)	(548,698)
Accounts Payable	16,965	(26,163)	17,415	8,217
Accrued Liabilities	722	661	4,250	5,633
Compensated Absences	3,214	1,160	(536)	3,838
Net Cash Provided (Used) by Operating Activities	<u>\$ (64,236)</u>	<u>\$ 170,799</u>	<u>\$ 468,276</u>	<u>\$ 574,839</u>

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

TOWN OF DILLON, COLORADO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
December 31, 2019

	Summit County Telecommunications Consortium
ASSETS	
Current Assets	
Cash and Investments	\$ 117,638
Accounts Receivable	<u>10,146</u>
Total Current Assets	<u><u>\$ 127,784</u></u>
LIABILITIES	
Liabilities	
Accrued Liabilities	\$ 1,953
Funds Held for Others	<u>125,831</u>
Total Liabilities	<u><u>\$ 127,784</u></u>

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

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Dillon, Colorado (the Town) is a home-rule municipality governed by a mayor-manager form of government through a Mayor and six-member Town Council elected by the citizens.

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

Reporting Entity

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

The Dillon Urban Renewal Authority (Authority) was established in 2009 along with the Dillon Urban Renewal Plan to assist with revitalization of blighted areas in the Town. The Town amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing. The Town Council serves as the governing board for the Authority and management of the Town has operational responsibility for the Authority. Although the Authority is legally separate from the Town, the Authority's primary revenue source, tax increment financing, can only be established by the Town. The Authority does not issue separate financial statements and is reported as a special revenue fund in the Town's financial statements.

For financial reporting purposes, the Town includes all funds, agencies, boards and commissions, which are controlled by, or are dependent on, the Town. No additional entities are included in the Town's reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely on fees and charges for services.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the Town's government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency fund uses the accrual basis of accounting. Revenues are recorded in the period in which they are earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

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

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

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

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

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

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

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

The *Capital Improvement Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and/or assets (other than those financed by proprietary funds and fiduciary funds). Major capital projects are funded with a portion of sales and property taxes as approved by the Town Council in the annual budget.

The *Street Improvement Fund* accounts for the reconstruction of streets funded by the dedicated sales tax of .5% and through the issuance of bonds.

The *Housing Initiative 5A Fund* accounts for development and funding of workforce housing funded by the dedicated sales tax of .725%.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following major proprietary funds:

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

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

The *Marina Fund* accounts for the financial activities associated with the operations of the Dillon Marina.

Additionally, the Town reports the following Fiduciary Fund:

The Summit County Telecommunications Consortium Agency Fund (SCTC) accounts for assets that are held on behalf of the participating public entities. The SCTC was established through an intergovernmental agreement with the Towns of Dillon, Breckenridge, Frisco and Silverthorne and Summit County Government. The responsibilities of the SCTC include the oversight of the public access channel. The Town of Dillon holds the resources in a fiduciary capacity.

Cash Equivalents

Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable. The Town has a down payment assistance program for employees. The Town records a note and deed of trust on the property purchased by the employee. Outstanding balances are recorded as notes receivable.

Prepaid Expenses

Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables

During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *due from other funds* and *due to other funds*.

Capital Assets

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

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

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

Buildings and improvements	10-50 years
Equipment and Vehicles	3-15 years
Parks and Amphitheatre	3-50 years
Furniture and Fixtures	3-20 years
Infrastructure	10-40 years
Plant, Lines and Reservoirs	15-40 years

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenues

Unearned revenues arise when business license fees are received in advance for the next fiscal year. In subsequent periods, the liability for the unearned revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time.

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

Long-Term Obligations

In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums, discounts and accounting losses from debt refundings are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses or expenditures when paid.

Deferred Inflows of Resources

Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Property Taxes

Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied the subsequent January 1 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. The County Treasurer collects and remits the taxes to the Town monthly.

Net Position/Fund Balance

In the government-wide financial statements and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Town Council establishes a fund balance commitment through passage of an ordinance. The Town Council has assigned the fund balance of the Capital Improvement Fund for capital projects and related capital equipment in its fund balance policies, and has authorized by resolution the authority to the Town Manager to assign amounts to a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the Town's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Pensions

The Town participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting as the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are due.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Postemployment Benefits Other Than Pensions (OPEB)

The Town contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan is funded by member contributions or contributions made on behalf of members. The Town has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the Town does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

Subsequent Events

The Town has evaluated subsequent events through June 26, 2020, the date the financial statements were available to be issued.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments as of December 31, 2019 follows:

Deposits	\$ 5,751,578
Petty Cash	925
Investments	5,300,806
Cash Held by Third Party	<u>43,762</u>
Total Cash on Hand and Investments	<u>\$11,097,071</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$10,979,433
Agency Fund Cash and Investments	<u>117,638</u>
Total Cash and Investments	<u>\$11,097,071</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the 102% of the uninsured deposits. At December 31, 2019, the Town had bank deposits of \$5,438,214 collateralized with securities held by the financial institutions' agents but not in the Town's name.

Investments

At December 31, 2019, the Town had the following investments:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Investment in Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>Fair Value</u>
Local Government Investment Pools	AAAm	1,758,241	--	1,758,241
Fidelity Money Market	AAAm	4,565	--	4,565
Certificates of Deposit	N/A	--	594,000	594,000
Brokered Certificates of Deposit	N/A	<u>980,000</u>	<u>1,964,000</u>	<u>2,944,000</u>
Total		<u>\$2,742,806</u>	<u>\$2,558,000</u>	<u>\$5,300,806</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

The Town has a formal investment policy that limits its investment choices and the length of maturity to five years. Custodial risk is not addressed by State Statutes or the Town's investment policy. The investment choices are within the limitations of state laws and include:

- Obligations of the United States and certain U.S. agency securities
- Money market funds that consist entirely of U.S. government securities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more Nationally Recognized Statistical Rating Organizations (NRSRO).

Custodial Risk – The Town has purchased brokered certificates of deposits that are not held in the Town's name.

Concentration of Credit Risk – State statutes do not limit the amount the Town may invest in a single issuer, except for corporate securities.

Interest Rate Risk – The Town has an investment policy adopted by the Town Council that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town's policy is to buy and hold investments to maturity and limits the maturities to five years. The Town's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town's investment risk constraints and the cash flow characteristics of the portfolio.

Fair Value Measurements – At December 31, 2019, the Town's investments in a money market fund and local government investment pools were measured at the net asset value per share.

Local Government Investment Pools – At December 31, 2019 the Town had \$866,797 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and \$891,444 in the Colorado Local Government Liquid Asset Trust (Colotrust). The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. Investment balances in the pools are not subject to limitations or restrictions on withdrawals. There are no unfunded commitments, the redemption dates frequencies are daily and there is no redemption notice period.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 3: CAPITAL ASSETS

Governmental Activities

Capital assets activity for governmental activities for the year ended December 31, 2019 is summarized below:

	Balance			Balance
	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 2,075,369	\$ -	\$ -	\$ 2,075,369
Construction in Progress	<u>79,598</u>	<u>331,941</u>	<u>-</u>	<u>411,539</u>
Total Capital Assets, Not Being Depreciated	<u>2,154,967</u>	<u>331,941</u>	<u>-</u>	<u>2,486,908</u>
Capital Assets, Being Depreciated				
Infrastructure	19,912,720	703,615	-	20,616,335
Buildings	1,409,246	-	-	1,409,246
Equipment & Vehicles	2,955,509	186,195	(59,765)	3,081,939
Parks & Amphitheater	13,471,870	1,139,602	(30,016)	14,581,456
Furniture & Fixtures	<u>293,238</u>	<u>-</u>	<u>-</u>	<u>293,238</u>
Total Capital Assets, Being Depreciated	<u>38,042,583</u>	<u>2,029,412</u>	<u>(89,781)</u>	<u>39,982,214</u>
Less: Accumulated Depreciation for				
Infrastructure	13,115,963	618,773	-	13,734,736
Buildings	1,199,349	23,604	-	1,222,953
Equipment & Vehicles	1,929,946	240,183	(51,040)	2,119,089
Parks & Amphitheater	2,110,847	707,443	(30,016)	2,788,274
Furniture & Fixtures	<u>210,612</u>	<u>28,249</u>	<u>-</u>	<u>238,861</u>
Total Accumulated Depreciation	<u>18,566,717</u>	<u>1,618,252</u>	<u>(81,056)</u>	<u>20,103,913</u>
Total Capital assets, Being Depreciated, Net	<u>19,475,866</u>	<u>411,160</u>	<u>(8,725)</u>	<u>19,878,301</u>
Governmental Activities Capital Assets, Net	<u>21,630,833</u>	<u>743,101</u>	<u>(8,725)</u>	<u>22,365,209</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 3: CAPITAL ASSETS (Continued)

Business-Type Activities

Capital assets activity for business-type activities for the year ended December 31, 2019 is summarized below:

	<u>Balance</u> <u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 219,652	\$ -	\$ -	\$ 219,652
Water Rights	2,738,830	-	-	2,738,830
Construction in Progress	<u>10,853</u>	<u>-</u>	<u>-</u>	<u>10,853</u>
Total Capital Assets, Not Being Depreciated	<u>2,969,335</u>	<u>-</u>	<u>-</u>	<u>2,969,335</u>
Capital Assets, Being Depreciated				
Water Plant	6,017,975	-	-	6,017,975
Lines	6,792,218	-	-	6,792,218
Buildings	480,243	-	-	480,243
Equipment & Vehicles	1,020,178	142,800	(21,051)	1,141,927
Lift Station	981,736	-	-	981,736
Reservoirs	1,557,880	-	-	1,557,880
Improvements	<u>5,089,835</u>	<u>-</u>	<u>-</u>	<u>5,089,835</u>
Total Capital Assets, Being Depreciated	<u>21,940,065</u>	<u>142,800</u>	<u>(21,051)</u>	<u>22,061,814</u>
Less: Accumulated Depreciation for				
Water Plant	2,742,395	204,152	-	2,946,547
Lines	3,429,754	132,146	-	3,561,900
Buildings	455,004	11,610	-	466,614
Equipment & Vehicles	555,857	123,355	(20,699)	658,513
Lift Station	285,224	28,636	-	313,860
Reservoirs	313,209	38,947	-	352,156
Improvements	<u>1,830,615</u>	<u>110,084</u>	<u>-</u>	<u>1,940,699</u>
Total Accumulated Depreciation	<u>9,612,058</u>	<u>648,930</u>	<u>(20,699)</u>	<u>10,240,289</u>
Total Capital assets, Being Depreciated, Net	<u>12,328,007</u>	<u>(506,130)</u>	<u>(352)</u>	<u>11,821,525</u>
Business-Type Activities				
Capital Assets, Net	<u>15,297,342</u>	<u>(506,130)</u>	<u>(352)</u>	<u>14,790,860</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 51,853
Public Safety	44,404
Public Works	799,805
Culture and Recreation	<u>722,190</u>
Total Governmental Activities Depreciation Expense	<u>\$1,618,252</u>
Business-Type Activities	
Water Fund	\$ 354,435
Sewer Fund	80,088
Marina Fund	<u>214,407</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 648,930</u>

NOTE 4: INVESTMENT IN SILVERTHORNE/DILLON JOINT SEWER AUTHORITY

The Town is a participant in the Silverthorne/Dillon Joint Sewer Authority (Authority) which was formed to construct and operate a sewage treatment facility. Participants in the Authority are the Towns of Silverthorne and Dillon, Dillon Valley District, Buffalo Mountain Metropolitan District, and Mesa Cortina Water and Sanitation District.

Construction costs are paid by each participant based on their share of the available capacity in each phase of the project. Operating costs are funded by quarterly billings to the participants, which are based on the number of taps each participant has connected to the system.

The Town records its investments in the Authority and its share of operating costs in the Sewer Fund. The investment is accounted for under the equity method in accordance with generally accepted accounting principles.

The Town had an investment in the Authority at December 31, 2019 of \$2,019,304, which represents a 13.10% share in the joint venture. At December 31, 2019, the Town was responsible for 19.9% of the Authority's operating expenses.

Financial information about the Joint Sewer Authority can be obtained in a separate audit report at the Silverthorne Town Hall, 601 Center Circle, Silverthorne, Colorado 80498.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019:

	Beginning 12/31/18	Additions	Retirement	Ending 12/31/19	Due Within One Year
Excise Tax Revenue Bonds-10	\$ 2,475,000	\$ -	\$ (95,000)	\$ 2,380,000	\$ 100,000
Excise Tax Revenue Bonds-15	1,700,000	-	(120,000)	\$ 1,580,000	125,000
Excise Tax Revenue Bonds-17	3,980,000	-	(360,000)	\$ 3,620,000	370,000
Amphitheater Lease-16	4,790,997	-	(145,094)	\$ 4,645,903	150,403
10 Bond Discount	(10,769)	-	979	\$ (9,790)	-
Compensated Absences	130,890	-	(26,871)	\$ 104,019	-
 Total	 <u>\$13,066,118</u>	 <u>\$ -</u>	 <u>\$ (745,986)</u>	 <u>\$12,320,132</u>	 <u>\$ 745,403</u>

Compensated absences are expected to be paid with revenues of the General Fund.

On April 8, 2010, the Town issued the Excise Tax Revenue Bonds, Series 2010 for the reconstruction of Town streets. The interest rate on the bonds ranges from 1.25% to 5.125% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2030.

On April 15, 2015, the Town issued the Excise Tax Revenue Bonds, Series 2015 for the reconstruction of Town streets. The interest rate on the bonds is 2.73% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1 of each year through 2030.

On June 1, 2017, the Town issued the Excise Tax Revenue Refunding Bonds, Series 2017 to refund the Excise Tax Revenue Bonds, Series 2008. The interest rate on the bonds is 2.18% and is payable on June 1 and December 1 of each year. Principal payments are due on December 1, through 2028.

The Excise Tax Revenue Bonds, Series 2008, Series 2010, Series 2015 and Series 2017 are payable solely from the Town's sales and lodging taxes. During the year ended December 31, 2019, revenues of \$8,174,929 were available to pay annual debt service of \$830,680 for all bonds. The outstanding debt service at December 31, 2019 for all three bonds is \$9,242,644.

On December 15, 2016, the Town entered into a site improvement lease with UMB Bank, N.A. for the amphitheater project and the refinance of the 2010 Marina site and improvement lease with UMB Bank, N.A. for the slope stabilization project. The Town provided Dillon Town Hall as collateral. The Capital Improvement Fund will repay the portion of the lease associated with the amphitheater project and the Marina Enterprise Fund will repay the portion associated with the slope stabilization project. The interest rate is 3.55% and matures on December 15, 2036 with monthly payments, beginning in 2017. Assets of \$5,000,000 have been capitalized under this portion of the lease.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019:

	Beginning <u>12/31/18</u>	<u>Additions</u>	<u>Retirement</u>	Ending <u>12/31/19</u>	Due Within <u>One Year</u>
Marina Lease-16	\$ 1,527,255	\$ -	\$ (109,081)	\$ 1,418,174	\$ 113,072
CWCB Loan-09	1,271,342	-	(36,759)	\$ 1,234,583	38,229
CWRPDA Loan-15	1,561,099	-	(80,728)	\$ 1,480,371	82,350
Compensated Absences	<u>14,631</u>	<u>3,838</u>	<u>-</u>	<u>\$ 18,469</u>	<u>-</u>
Total	<u>\$ 4,374,327</u>	<u>\$ 3,838</u>	<u>\$ (226,568)</u>	<u>\$ 4,151,597</u>	<u>\$ 233,651</u>

On December 15, 2016, the Town refinanced the 2010 site and improvement lease with UMB Bank, N.A. for the slope stabilization project at the Dillon Marina and increased the lease to include the amphitheater project. The Town provided Dillon Town Hall as collateral. The Marina Enterprise Fund will repay the portion of the lease associated with the slope stabilization project and the Capital Improvement Fund will repay the portion associated with the amphitheater project. The interest rate is 3.55% and matures on December 1, 2030 with monthly payments, beginning in 2017. Assets of \$2,233,922 have been capitalized under this portion of the lease.

On July 15, 2009, The Town entered into a loan contract with Department of Natural Resources, Colorado Water Conservation Board for the Old Dillon Reservoir enlargement. The interest rate is 4% and matures on April 1, 2041. Principal and interest payments are due on April 1 of each year.

On September 1, 2015, the Town entered into loan contract with the Colorado Water Resources and Power Development Authority for the construction of a water storage tank. The interest rate is 2% and matures on March 1, 2035. Principal and interest payments are due on March 1 and September 1 of each year.

The CWCB Loan and CWRPDA Loan are payable solely from revenues from the Town's water utility system after the deduction of operating maintenance costs. During the year ended December 31, 2019, net revenues of \$695,840 were available to pay annual debt service of \$199,160. The outstanding debt service at December 31, 2019 for both loans is \$3,581,780.

Future Debt Service Requirements
Governmental Activities

Annual debt service requirements for the outstanding revenue bonds at December 31, 2018 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 595,000	\$ 240,756	\$835,756
2021	605,000	225,077	830,077
2022	620,000	208,978	828,978
2023	645,000	192,182	837,182
2024	660,000	174,422	834,422
2025-2029	3,620,000	582,387	4,202,387
2030	<u>835,000</u>	<u>38,842</u>	<u>873,842</u>
Total	<u>\$7,580,000</u>	<u>\$1,662,644</u>	<u>\$9,242,644</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements (continued)
Governmental Activities (continued)

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

Year Ended December 31,	
2020	315,152
2021	315,152
2022	315,152
2023	315,152
2024	315,152
2025-2029	1,575,759
2030-2034	2,304,308
2035-2036	<u>954,823</u>
Total Minimum Lease Payments	6,410,650
Less: Interest	<u>(1,764,747)</u>
Present Value of Future Minimum Lease Payments	<u>\$4,645,903</u>

Business-Type Activities

Annual debt service requirements for the outstanding loans at December 31, 2019 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ended December 31,			
2020	\$ 120,579	\$ 78,581	\$ 199,160
2021	123,764	75,396	199,160
2022	127,043	72,118	199,161
2023	130,420	68,742	199,162
2024	133,897	65,264	199,161
2025-2029	725,408	270,395	995,803
2030-2034	829,525	166,277	995,802
2035-2039	428,129	65,708	493,837
2040-2041	<u>96,189</u>	<u>4,345</u>	<u>100,534</u>
Total	<u>\$2,714,954</u>	<u>\$866,826</u>	<u>\$3,581,780</u>

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

Year Ended December 31,	
2019	162,260
2020	162,260
2021	162,260
2022	162,260
2023	162,260
2024-2028	811,300
2029-2030	<u>82,751</u>
Total Minimum Lease Payments	1,867,611
Less: Interest	<u>(287,177)</u>
Present Value of Future Minimum Lease Payments	<u>\$1,418,174</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

Operating Lease

The Town entered into a lease agreement with the Denver Water Department effective January 1, 1994 and terminating December 31, 2019 with an extension to December 31, 2020 for the use of Dillon Reservoir and land at the Dillon Marina. The Town pays 4% of annual gross revenues to the Denver Water Department, which totaled \$69,416 for the year ended December 31, 2019.

NOTE 6: INTERFUND BALANCES AND TRANSFERS

The Town has an agreement with the Dillon Urban Renewal Authority to repay the Town any amounts owed the Town when tax increment financing revenues are collected by the Authority. The outstanding balance of this interfund loan at December 31, 2019, was \$11,195.

The Marina Fund transferred \$22,000 to the Capital Improvement Fund for paving of the marina yard.

The General Fund transferred \$390,000 to the Capital Improvement Fund to assist with the Town Park master plan improvements.

The Water Fund transferred \$515,000 to the Capital Improvement Fund to assist with the purchase of amphitheater sound system. The General Fund will repay the Water Fund over time.

NOTE 7: RETIREMENT COMMITMENTS

Employee Retirement Plans

Town employees participate in the Colorado County Officials and Employees Retirement Association (CCOERA) defined contribution plan. Full-time employees are required to contribute 5% of their gross salary and the Town matches the contribution, as required by plan documents. The Town has a defined contribution plan through International City/County Management Association (ICMA) for department heads and full-time police officers that did not elect to participate in the Fire and Police Pension Association in 2017. The sworn officers contribute 10% of gross salaries with the Town matching their contribution and the department heads contribute 5% with the Town matching their contribution. Town contributions vest at a rate of 20% each year and employees become fully vested after five years for either pension plan. Plan provisions and contribution requirements of the Town and the employees are established and may be amended by the Town Council. Total contributions of the CCOERA and ICMA retirement plans made by the Town for the year ended December 31, 2019 were \$86,618 and \$11,868 respectively, which equals the required contributions.

Police Pension Plan

General Information

Plan Description - The Town contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the SWH Plan), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA).

Police officers employed on November 20, 2017, could elect to participate in either plan. Thereafter, all police officers must participate in the SWH Plan on the first day of employment.

Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

General Information (continued)

Benefits Provided - A SWDB Plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

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

A SWH Plan member is eligible for a normal retirement pension at any time after age 55, if the member has at least twenty-five years of service. The annual normal retirement benefit of the defined benefit component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retirees of the defined benefit component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to 3%.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest three years' base salary for each year of credited service. In addition, upon termination the vested account balance in the money purchase component becomes available to the member.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plans' net position.

Contributions - The Town and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of base salary through December 31, 2014. Employee contributions may not be less than 8% with the split of contributions between employees and the Town determined by the Town Council. The Town and eligible employees contributed 10% and 12.5% of base salary, respectively, for the year ended December 31, 2019. In accordance with the aforementioned election, the reentry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

The Town's contributions to the SWDB Plan for the year ended December 31, 2019, were \$45,192, equal to the required contributions.

The Town and eligible employees are required to contribute to the SWH Plan at rates established by Town Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component allocation from July 1, 2017, through June 30, 2018, was 14.8%, and thereafter was 13.4%. For the year ended December 31, 2019, the Town Council established the contribution rate split at 10% of base salary for both the Town and employees.

Within the money purchase component, members are always fully vested in their contributions, as well as the earnings on those contributions. Vesting in the Town's contributions within the money purchase component and earnings on those contributions is 20% per year after the first year of service, with 100% vesting after five years of service. Unvested Town contributions and earnings thereon are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the SWH Plan's administrative expenses. Any administrative expenses not covered by forfeitures are charged directly to member accounts.

An employee may elect to make voluntary after-tax contributions to the money purchase component of the SWH Plan. All contributions to the money purchase component are invested at the discretion of the member.

The Town's contributions to the SWH Plan for the year ended December 31, 2019, were \$18,008, equal to the required contributions.

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

At December 31, 2019, the Town reported a net pension liability of \$263,244 and \$16,649, representing its proportionate share of the net pension liability of the SWDB and SWH Plans, respectively. The net pension asset was measured at December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2018, relative to the projected contributions of all participating employers.

At December 31, 2018, the Town's proportion of the SWDB Plan was 0.09486349%, which was a decrease of 0.00475106% from its proportion measured at December 31, 2017. The Town's proportion of the SWH Plan was estimated at 0.39409479%, which was a decrease of .03073% from its proportion measured at December 31, 2017.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

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

For the year ended December 31, 2019, the Town recognized pension expense for the SWDB and SWH Plans of \$78,722 and (\$10,958), respectively. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 134,383	\$ -
Changes of assumptions and other inputs	101,872	-
Net difference between projected and actual earnings on plan investments	59,196	-
Changes in proportion	8,235	7,366
Contributions subsequent to the measurement date	<u>45,647</u>	<u>-</u>
 Total	 \$ 349,333	 \$ 7,366
Statewide Hybrid Plan		
Differences between expected and actual experience	\$ 18,527	\$ -
Changes of assumptions and other inputs	5,467	-
Net difference between projected and actual earnings on plan investments	-	6,793
Changes in proportion	-	28,621
Contributions subsequent to the measurement date	<u>17,110</u>	<u>-</u>
 Total	 \$ <u>41,104</u>	 \$ <u>35,414</u>
 Grand Total	 \$ <u>390,438</u>	 \$ <u>42,780</u>

Town contributions to the SWDB and SWH Plans subsequent to the measurement date of \$50,836 and \$5,556, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>SWDB Plan</u>	<u>SWH Plan</u>
2020	\$ 49,394	\$ (2,719)
2021	42,090	(2,719)
2022	69,528	(5,728)
2023	33,939	(1,458)
2024	33,939	1,205
Thereafter	<u>67,431</u>	<u>-</u>
 Total	 \$ <u>296,321</u>	 \$ <u>(11,419)</u>

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

NOTE 7: RETIREMENT COMMITMENTS (continued)

Police Pension Plan (continued)

Actuarial Assumptions - The actuarial valuations as of January 1, 2019, determined the total pension liability using the following actuarial assumptions and other inputs:

Investment rate of return, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Projected salary increases, including inflation	4.25% - 11.25%
Cost of living adjustments (COLA)	0%

Mortality rates for active members were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2017, based upon the actuary's analysis and recommendations from the 2016 Experience Study.

Based on an actuarial experience study, the FPPA Board of Directors approved a reduction in the assumed investment rate of return from 7.5% to 7.0% effective January 1, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Gobal Equity	37%	8.03%
Equity Long/Short	9%	6.45%
Private Markets	24%	10.00%
Fixed Income	15%	2.90%
Absolute Return	9%	5.08%
Managed Futures	4%	5.35%
Cash	<u>2%</u>	2.52%
Total	<u><u>100%</u></u>	

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7: RETIREMENT COMMITMENTS (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.0%.

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the SWDB net pension asset (liability)	\$ 465,088	\$ 119,933	\$ (166,366)
Proportionate share of the SWH net pension asset (liability)	\$ (26,674)	\$ (54,399)	\$ (77,641)

Pension Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS

Statewide Death & Disability Plan

General Information

Plan Description - The Town contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All full-time sworn police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained at www.fppaco.org.

Benefits Provided - The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children.
- On-duty: 70% of the base salary paid to the member prior to death.

Disability benefits are as follows:

- Total disability: 70% of the base salary preceding disability.
- Permanent occupational disability: 50% of the base salary preceding disability.
- Temporary occupational disability: 40% of the base salary preceding disability for up to 5 years.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Statewide Death & Disability Plan (continued)

General Information (continued)

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability beneficiaries receive an automatic increase of 3%. For other annuitants, the increase may reflect CPI, but in no case may be higher than 3%.

Once a member is eligible to retire, all plan benefit obligations cease.

Contributions - The contribution requirements are established by State statutes. However, in accordance with Colorado Revised Statutes (CRS) 31-31-811(4), FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contribute to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the Town Council.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the Town contributed 2.8% of base salaries on behalf of the members during the year ended December 31, 2019. Contributions to the plan for the year ended December 31, 2019, were \$17,696, equal to the required contributions.

Based on the 2018 actuarial results, the FPPA Board of Directors agreed to increase the contribution rate from 2.7% to 2.8% effective January 1, 2019, through December 31, 2020.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Town has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the Town does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

OPEB Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 9: RISK MANAGEMENT

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

The purposes of CIRSA are to provide members defined liability and property and workers' compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

TOWN OF DILLON, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 9: RISK MANAGEMENT (continued)

Public Entity Risk Pool (continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of CIRSA.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation.

In November 1996, Town voters authorized the Town to collect and retain all revenues from all sources in 1996 and each subsequent year and to spend the same, notwithstanding the limitations of the amendment. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance. The amendment requires a reserve for emergencies equal to 3% of qualifying expenditures of the Town. At December 31, 2019 the Town reported restricted fund balance of \$335,089 comply with this requirement.

Litigation

From time to time, the Town is involved in various litigation. Management believes the outcome of any litigation will not have a significant impact on the Town's financial position.

Economic Development Agreements

The Town has entered into four economic development agreements that require the Town to reimburse certain businesses for sales tax generated by the businesses. Economic developments are approved by the Town Council on a case by case basis. During the year ended December 31, 2019, the Town paid \$140,537 under those agreements and accrued \$39,947 for payment in the subsequent fiscal year.

NOTE 11: SUBSEQUENT EVENT

Subsequent to year-end, the United States of America, the State of Colorado and the Town of Dillon have declared an emergency associated with the Coronavirus pandemic. The Town has been economically impacted by the event, however the full economic effect has yet to be determined.

TOWN OF DILLON, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
FIRE & POLICE PENSION ASSOCIATION OF COLORADO STATEWIDE DEFINED BENEFIT PLAN
December 31, 2019

	<u>12/31/17</u>	<u>12/31/17</u>
Proportionate Share of the Net Pension Asset (Liability)		
Town's Proportion of the Net Pension Asset (Liability)	0.00948635%	0.09961455%
Town's Proportionate Share of the Net Pension Asset (Liability)	\$ 349,333	\$ 143,311
Town's Covered Payroll	\$ 451,922	\$ 58,610
Town's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	77%	245%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95%	106%
	<u>12/31/19</u>	<u>12/31/18</u>
Town Contributions		
Statutorily Required Contribution	\$ 45,192	\$ 50,836
Contributions in Relation to the Statutorily Required Contribution	<u>(45,192)</u>	<u>(50,836)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 451,922	\$ 508,361
Contributions as a Percentage of Covered Payroll	10.00%	10.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

TOWN OF DILLON, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
FIRE & POLICE PENSION ASSOCIATION OF COLORADO STATEWIDE HYBRID PLAN
December 31, 2019

	<u>12/31/18</u>	<u>12/31/17</u>
Proportionate Share of the Net Pension Asset		
Town's Proportion of the Net Pension Asset	0.00394095%	0.36336810%
Town's Proportionate Share of the Net Pension Asset	\$ (16,649)	\$ 71,048
Town's Covered Payroll	\$ 180,075	\$ -
Town's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	-9%	NA
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123%	139%
	<u>12/31/19</u>	<u>12/31/18</u>
Town Contributions		
Statutorily Required Contribution	\$ 18,008	\$ 5,556
Contributions in Relation to the Statutorily Required Contribution	<u>(18,008)</u>	<u>(5,556)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 180,075	\$ 55,564
Contributions as a Percentage of Covered Payroll	10.00%	10.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

TOWN OF DILLON, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 4,923,172	\$ 5,329,172	\$ 5,796,333	\$ 467,161
Charges for Services	923,517	923,517	746,712	(176,805)
Licenses and Permits	76,832	76,832	80,880	4,048
Intergovernmental	142,151	142,151	160,461	18,310
Fines and Forfeitures	85,032	85,032	58,760	(26,272)
Interest	29,367	29,367	46,748	17,381
Miscellaneous	<u>16,241</u>	<u>16,241</u>	<u>16,352</u>	<u>111</u>
Total Revenues	<u>6,196,312</u>	<u>6,602,312</u>	<u>6,906,246</u>	<u>303,934</u>
EXPENDITURES				
General Government	2,557,712	2,763,412	2,828,530	(65,118)
Public Safety	1,563,320	1,563,320	1,448,105	115,215
Public Works	900,480	900,480	828,535	71,945
Community Development	456,305	476,305	472,937	3,368
Culture and Recreation	<u>609,496</u>	<u>624,496</u>	<u>580,096</u>	<u>44,400</u>
Total Expenditures	<u>6,087,313</u>	<u>6,328,013</u>	<u>6,158,203</u>	<u>169,810</u>
Excess of Revenue Over (Under) Expenditures	108,999	274,299	748,043	473,744
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(300,000)</u>	<u>(410,000)</u>	<u>(390,000)</u>	<u>20,000</u>
Net Change in Fund Balance	(191,001)	(135,701)	358,043	493,744
Fund Balance, Beginning of Year	<u>2,000,794</u>	<u>2,000,794</u>	<u>2,724,417</u>	<u>723,623</u>
Fund Balance, End of Year	<u>\$ 1,809,793</u>	<u>\$ 1,865,093</u>	<u>\$ 3,082,460</u>	<u>\$ 1,217,367</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2019

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Prior to the October Council meeting, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all of the Town's funds.
5. The budgets of the governmental funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary fund budgets are prepared on a non-GAAP basis. Capital outlay and debt service payments are budgeted as expenditures. Depreciation is not budgeted. The fiduciary fund budget is adopted by the member board established through the Intergovernmental Agreement for the Summit County Telecommunications Consortium (SCTC) and is not presented in the Town's financial statements.
6. Budgeted amounts are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Conservation Trust Fund – This fund is used to account for the Town’s share of lottery funds distributed by the State of Colorado. Funds are to be used for Parks, Trails and Open Space.

Cemetery Perpetual Care Fund – This fund is used to account for the sale of cemetery spaces at the Dillon Cemetery and donations received specifically for the Dillon Cemetery. Funds are to be used for Dillon Cemetery maintenance and capital projects.

Dillon Urban Renewal Authority – The Dillon Urban Renewal Authority was established and the Dillon Urban Renewal Plan was approved in 2009 in order to revitalize blighted areas in the Town. The Town Council amended the Dillon Urban Renewal Plan in 2012 to allow for tax increment financing.

TOWN OF DILLON, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	Special Revenue			Total
	Conservation Trust	Cemetery Perpetual Care	Dillon Urban Renewal Authority	Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 36,457	\$ 126,682	\$ 246,983	\$ 410,122
Property Taxes Receivable	-	-	308,553	308,553
Total Assets	\$ 36,457	\$ 126,682	\$ 555,536	\$ 718,675
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	11,195	11,195
Total Liabilities	-	-	11,195	11,195
Deferred Inflows of Resources				
Property Taxes	-	-	308,553	308,553
Fund Balances				
Nonspendable:				
Cemetery	-	93,102	-	93,102
Restricted for:				
Parks and Open Space	36,457	-	-	36,457
Assigned to:				
Cemetery	-	33,580	-	33,580
Urban Renewal	-	-	235,788	235,788
Total Fund Balances	36,457	126,682	235,788	398,927
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
	\$ 36,457	\$ 126,682	\$ 555,536	\$ 718,675

See the Accompanying Independent Auditors' Report

TOWN OF DILLON, COLORADO
**COMBINING 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	Cemetery Perpetual Care	Dillon Urban Renewal Authority	
REVENUES				
Taxes	\$ -	\$ -	\$ 168,668	\$ 168,668
Charges for Services	-	2,850	-	2,850
Intergovernmental	10,998	-	-	10,998
Interest	386	1,684	10	2,080
Miscellaneous	-	7,534	-	7,534
Total Revenues	<u>11,384</u>	<u>12,068</u>	<u>168,678</u>	<u>192,130</u>
EXPENDITURES				
Current				
Culture and Recreation	13,804	10,804	-	24,608
Urban Renewal	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>7,100</u>
Total Expenditures	<u>13,804</u>	<u>10,804</u>	<u>7,100</u>	<u>31,708</u>
Net Change in Fund Balances	(2,420)	1,264	161,578	160,422
Fund Balances, Beginning of Year	<u>38,877</u>	<u>125,418</u>	<u>74,210</u>	<u>238,505</u>
Fund Balances, End of Year	<u>\$ 36,457</u>	<u>\$ 126,682</u>	<u>\$ 235,788</u>	<u>\$ 398,927</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes	\$ 1,644,961	\$ 1,644,961	\$ 1,882,146	\$ 237,185
Intergovernmental	-	-	-	-
Interest	1,000	1,000	12,710	11,710
Miscellaneous	1,000	1,000	1,400	400
Total Revenues	<u>1,646,961</u>	<u>1,646,961</u>	<u>1,896,256</u>	<u>249,295</u>
EXPENDITURES				
Public Works	-	-	1,750	(1,750)
Capital Outlay	2,535,200	3,160,200	2,732,495	427,705
Debt Service				
Principal	145,094	145,094	145,094	-
Interest	170,058	170,058	170,058	-
Total Expenditures	<u>2,850,352</u>	<u>3,475,352</u>	<u>3,049,397</u>	<u>425,955</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,203,391)</u>	<u>(1,828,391)</u>	<u>(1,153,141)</u>	<u>675,250</u>
OTHER FINANCING SOURCES				
Sale of Assets	50,000	50,000	14,700	(35,300)
Transfer In	322,000	947,000	927,000	(20,000)
Total Other Financing Sources	<u>372,000</u>	<u>997,000</u>	<u>941,700</u>	<u>(55,300)</u>
Net Change in Fund Balance	(831,391)	(831,391)	(211,441)	619,950
Fund Balance, Beginning	<u>1,025,133</u>	<u>1,025,133</u>	<u>1,516,573</u>	<u>491,440</u>
Fund Balance, Ending	<u>\$ 193,742</u>	<u>\$ 193,742</u>	<u>\$ 1,305,132</u>	<u>\$ 1,111,390</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
STREET IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 1,037,619	\$ 1,202,157	\$ 164,538
Interest	<u>15,000</u>	<u>2,549</u>	<u>(12,451)</u>
Total Revenues	<u>1,052,619</u>	<u>1,204,706</u>	<u>152,087</u>
EXPENDITURES			
Public Works	26,300	3,041	23,259
Capital Outlay	270,000	-	270,000
Debt Service			
Principal	575,000	575,000	-
Interest	255,680	255,680	-
Debt Issuance Costs	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,126,980</u>	<u>833,721</u>	<u>293,259</u>
Net Change in Fund Balance	(74,361)	370,985	445,346
Fund Balance, Beginning	<u>279,603</u>	<u>482,832</u>	<u>203,229</u>
Fund Balance, Ending	<u>\$ 205,242</u>	<u>\$ 853,817</u>	<u>\$ 648,575</u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
HOUSING INITIATIVE 5A FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 736,917	\$ 736,917	\$ 925,655	\$ 188,738
Interest	9,000	9,000	8,663	(337)
Miscellaneous	-	-	234,286	234,286
Total Revenues	<u>745,917</u>	<u>745,917</u>	<u>1,168,604</u>	<u>422,687</u>
EXPENDITURES				
Housing	<u>40,434</u>	<u>50,434</u>	<u>47,010</u>	<u>3,424</u>
Net Change in Fund Balance	705,483	695,483	1,121,594	426,111
Fund Balance, Beginning of Year	<u>1,764,723</u>	<u>1,764,723</u>	<u>1,937,893</u>	<u>173,170</u>
Fund Balance, End of Year	<u><u>\$ 2,470,206</u></u>	<u><u>\$ 2,460,206</u></u>	<u><u>\$ 3,059,487</u></u>	<u><u>\$ 599,281</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 9,510	\$ 10,998	\$ 1,488
Interest	<u>300</u>	<u>386</u>	<u>86</u>
Total Revenues	<u>9,810</u>	<u>11,384</u>	<u>1,574</u>
 EXPENDITURES			
Culture and Recreation	<u>15,000</u>	<u>13,804</u>	<u>1,196</u>
Net Change in Fund Balance	(5,190)	(2,420)	2,770
Fund Balance, Beginning of Year	<u>36,955</u>	<u>38,877</u>	<u>1,922</u>
Fund Balance, End of Year	<u><u>\$ 31,765</u></u>	<u><u>\$ 36,457</u></u>	<u><u>\$ 4,692</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
CEMETERY PERPETUAL CARE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 1,500	\$ 2,850	\$ 1,350
Interest	1,000	1,684	684
Miscellaneous	<u>2,000</u>	<u>7,534</u>	<u>5,534</u>
Total Revenues	<u>4,500</u>	<u>12,068</u>	<u>7,568</u>
EXPENDITURES			
Culture and Recreation	<u>27,250</u>	<u>10,804</u>	<u>16,446</u>
Net Change in Fund Balance	(22,750)	1,264	24,014
Fund Balance, Beginning of Year	<u>125,100</u>	<u>125,418</u>	<u>318</u>
Fund Balance, End of Year	<u><u>\$ 102,350</u></u>	<u><u>\$ 126,682</u></u>	<u><u>\$ 24,332</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
DILLON URBAN RENEWAL AUTHORITY
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 146,488	\$ 168,668	\$ 22,180
Interest	500	10	(490)
Total Revenues	<u>146,988</u>	<u>168,678</u>	<u>21,690</u>
EXPENDITURES			
Urban Renewal	<u>15,674</u>	<u>7,100</u>	<u>8,574</u>
Net Change in Fund Balance	131,314	161,578	30,264
Fund Balance, Beginning of Year	<u>97,330</u>	<u>74,210</u>	<u>(23,120)</u>
Fund Balance, End of Year	<u><u>\$ 228,644</u></u>	<u><u>\$ 235,788</u></u>	<u><u>\$ 7,144</u></u>

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Utility Sales	\$ 1,077,466	\$ 1,077,466	\$1,128,760	\$ 51,294
Tap Fees	16,876	131,876	246,221	114,345
Interest	4,887	4,887	13,348	8,461
Miscellaneous	-	-	2,925	2,925
Total Revenues	<u>1,099,229</u>	<u>1,214,229</u>	<u>1,391,254</u>	<u>177,025</u>
EXPENDITURES				
Current				
Operations	439,775	439,775	411,786	27,989
Maintenance	56,835	56,835	171,693	(114,858)
Distribution	12,800	12,800	35,961	(23,161)
Treatment	38,065	38,065	77,238	(39,173)
Capital Outlay	445,688	445,688	-	445,688
Debt Service				
Principal	117,487	117,487	117,487	-
Interest	<u>81,674</u>	<u>81,674</u>	<u>80,033</u>	<u>1,641</u>
Total Expenditures	<u>1,192,324</u>	<u>1,192,324</u>	<u>894,198</u>	<u>298,126</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>-</u>	<u>(515,000)</u>	<u>(515,000)</u>	<u>-</u>
CHANGE IN NET POSITION, Budget Basis	<u>\$ (93,095)</u>	<u>\$ (493,095)</u>	(17,944)	<u>\$ 475,151</u>
ADJUSTMENTS TO GAAP BASIS				
Principal Payments on Debt			117,487	
Depreciation			<u>(354,435)</u>	
CHANGE IN NET POSITION, GAAP Basis			(254,892)	
NET POSITION, Beginning			<u>8,265,495</u>	
NET POSITION, Ending			<u><u>\$8,010,603</u></u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	Original and Final Budget	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Utility Sales	\$ 899,856	\$ 889,664	\$ (10,192)
Tap Fees	15,000	190,487	175,487
Interest	15,350	18,478	3,128
Miscellaneous Income	-	9,767	9,767
Total Revenues	<u>930,206</u>	<u>1,108,396</u>	<u>178,190</u>
EXPENDITURES			
Current			
Operations	130,085	114,480	15,605
Maintenance	41,500	45,025	(3,525)
Treatment	531,055	522,556	8,499
Capital Outlay	<u>324,775</u>	<u>-</u>	<u>324,775</u>
Total Expenditures	<u>1,027,415</u>	<u>682,061</u>	<u>345,354</u>
CHANGE IN NET POSITION, Budget Basis	<u>\$ (97,209)</u>	426,335	<u>\$ 523,544</u>
ADJUSTMENTS TO GAAP BASIS			
Depreciation		(80,088)	
Investment in Joint Sewer Authority		<u>52,823</u>	
CHANGE IN NET POSITION, GAAP Basis		399,070	
NET POSITION, Beginning		<u>4,783,616</u>	
NET POSITION, Ending		<u>\$ 5,182,686</u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
MARINA FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for Services	\$ 1,605,000	\$ 1,709,000	\$ 1,758,613	\$ 49,613
Interest	5,000	5,000	12,394	7,394
Miscellaneous	<u>30,040</u>	<u>30,040</u>	<u>35,310</u>	<u>5,270</u>
Total Revenues	<u>1,640,040</u>	<u>1,744,040</u>	<u>1,806,317</u>	<u>62,277</u>
EXPENDITURES				
Current				
Operations	1,116,166	1,152,166	1,213,966	(61,800)
Maintenance	98,500	117,500	66,854	50,646
Capital Outlay	192,500	213,500	142,800	70,700
Debt Service				
Principal	109,081	109,081	109,081	-
Interest	53,179	53,179	53,013	166
Transfer Out	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Total Expenditures	<u>1,591,426</u>	<u>1,667,426</u>	<u>1,607,714</u>	<u>59,712</u>
OTHER FINANCING SOURCES (USES)				
CRCA Settlement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION, Budget Basis	<u>\$ 48,614</u>	<u>\$ 76,614</u>	198,603	<u>\$ 121,989</u>
ADJUSTMENTS TO GAAP BASIS				
Principal Payments on Debt			109,081	
Capital Outlay			142,800	
Depreciation			<u>(214,407)</u>	
CHANGE IN NET POSITION, GAAP Basis			236,077	
NET POSITION, Beginning			<u>3,300,106</u>	
NET POSITION, Ending			<u>\$3,536,183</u>	

See the accompanying Independent Auditors' Report.

TOWN OF DILLON, COLORADO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended December 31, 2019

	<u>Balance</u> <u>January 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2019</u>
Summit County Telecommunications Consortium				
ASSETS				
Cash and Investments	\$ 164,728	\$ 190,988	\$ 238,078	\$ 117,638
Accounts Receivable	<u>10,214</u>	<u>10,146</u>	<u>10,214</u>	<u>10,146</u>
Total Assets	<u>\$ 174,942</u>	<u>\$ 201,134</u>	<u>\$ 248,292</u>	<u>\$ 127,784</u>
LIABILITIES				
Accrued Liabilities	\$ 5,891	\$ 1,953	\$ 5,891	\$ 1,953
Funds Held for Others	<u>169,051</u>	<u>125,831</u>	<u>169,051</u>	<u>125,831</u>
Total Liabilities	<u>\$ 174,942</u>	<u>\$ 127,784</u>	<u>\$ 174,942</u>	<u>\$ 127,784</u>

See the accompanying Independent Auditors' Report.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Dillon			
		YEAR ENDING : December 2019			
This Information From The Records Of (example - City of _ or County of		Prepared By: Phone:	Carri McDonnell 970-262-3404		
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)	11,044		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	41,052		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	24,345		
2. General fund appropriations		b. Snow and ice removal	28,778		
3. Other local imposts (from page 2)	1,176,149	c. Other			
4. Miscellaneous local receipts (from page 2)	58,760	d. Total (a. through c.)	53,123		
5. Transfers from toll facilities		4. General administration & miscellaneous	43,279		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	330,021		
a. Bonds - Original Issues		6. Total (1 through 5)	478,519		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	255,680		
7. Total (1 through 6)	1,234,909	b. Redemption	575,000		
B. Private Contributions		c. Total (a. + b.)	830,680		
C. Receipts from State government (from page 2)	74,290	2. Notes:			
D. Receipts from Federal Government (from page 2)	0	a. Interest			
E. Total receipts (A.7 + B + C + D)	1,309,199	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	830,680		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	1,309,199		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
		Opening Debt	Amount Issued	Closing Debt	
A. Bonds (Total)		8,155,000		7,580,000	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,309,199	1,309,199		0
Notes and Comments:					

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	227,576	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	58,760
1. Sales Taxes	906,082	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	42,491	g. Other Misc. Receipts	
6. Total (1. through 5.)	948,573	h. Other	
c. Total (a. + b.)	1,176,149	i. Total (a. through h.)	58,760
	(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	68,006	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	6,284	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,284	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	74,290	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		11,044	11,044
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	11,044	11,044
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	11,044	11,044
			(Carry forward to page 1)

Notes and Comments: