



# 2019 Comprehensive Annual Financial Report

for the year ended Dec. 31, 2019



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# *2019 Comprehensive Annual Financial Report*

*For the Year Ended December 31, 2019*

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*Prepared by the Finance Department*



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## *Finance Department*

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Nicole Carner  
Michael Tempel  
Anna Maria Menza

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Assistant Finance Director  
Business Systems Analyst  
Administrative Assistant

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Financial Analyst

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Sales Tax Auditor  
Sales Tax Auditor  
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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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## ***INTRODUCTORY SECTION***

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*Organizational Chart*

*Directory of Town Officials*

*Certificate of Achievement for Excellence in Financial Reporting*



July 15, 2020

To the Honorable Mayor, Members of Town Council, and Citizens of the Town of Castle Rock, Colorado:

Colorado state law and the Town of Castle Rock (the Town) Home Rule Charter require an annual audit of the Town's financial statements. The goal of an audit is to provide reasonable assurance that the financial statements of the Town are presented in conformity with generally accepted accounting principles. The audit must be performed by an independent firm of licensed certified public accountants. In accordance with this requirement, we submit for your information and review, the Comprehensive Annual Financial Report (CAFR) of the Town for the year ended December 31, 2019.

Management of the Town is responsible for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the Town has established a comprehensive internal control framework that is designed to protect the Town's assets from loss, theft, or misuse and to provide sufficient reliable information for the preparation of the financial statements. Because the cost of internal controls should not exceed the benefits, the internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

BKD, LLP has issued an unmodified opinion on the Town's financial statements. An "unmodified" opinion means that the financial statements meet the "in conformity with generally accepted accounting principles" requirement. The auditor's report is located at the front of the financial section of this report. The independent auditor is also required to complete the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The results of the single audit are available in the Town's separately issued single audit report.

Management provides a narrative introduction, overview and analysis of the basic financial statements. Management's Discussion and Analysis (MD&A) provides an overview of the financial statements and is intended to complement this letter of transmittal. The MD&A can be found in the Financial Section of this CAFR immediately following the report of the independent auditors.

## PROFILE OF THE TOWN

Castle Rock is located in Douglas County along Interstate 25 approximately halfway between Denver and Colorado Springs. Castle Rock encompasses approximately 34 square miles and serves a population estimated at 72,168 residents. The Town's location, view of the mountains, mesas and the "small town feel" make Castle Rock a desirable location for residential development.

The Town was incorporated in 1881 and adopted its Home Rule Charter in 1987. The Town operates under the council-manager form of government. The policy-making and legislative authority are vested with the Town Council (the Council), which consists of seven members including the Mayor and Mayor Pro Tem. Each councilmember is elected to represent an election district, and new in 2018, the Mayor is elected to represent the Town at large. Town Councilmembers will serve four-year terms. In addition to serving on Council, individual members also represent the Town on various local, county and regional boards.

The Council is responsible for passing ordinances, adopting the budget, appointing boards and commissions, hiring the Town Manager (Manager), Town Attorney and Municipal Judge. The Manager is responsible for carrying out the policies and ordinances approved by Council, appointing the heads of the departments and for overseeing the operations of the Town.

The Town provides a full range of services including: police and fire protection, courts, emergency medical services, municipal water, water resources, storm water, wastewater, construction and maintenance of streets, public transit, parks and open spaces, golf course, recreation center, cultural events, community support, planning, development, code enforcement and general governmental services.

## **LOCAL ECONOMY**

Sales taxes provide approximately 64% of the Town's General Fund revenues. Sales taxes are used to support ongoing services such as police, fire, parks, open space, municipal court, and general governmental services. The major sources of sales taxes within the Town include a retail outlet mall, the promenade shopping and dining center, home improvement stores and grocery stores. The Town is the county seat for Douglas County and the site of the Douglas County School District Office. These two governments along with the Town are among the top four employers within the Castle Rock area. Because of its close proximity to both Denver and Colorado Springs, many of the Castle Rock residents commute to these two cities to work.

Growth, primarily in the area of single-family residential homes, continues to have a major impact on the Town's economy. The Town issued permits for 1,170 new residential units (single family 901 and multi-family 269) and 44 new commercial permits in 2019. The Town assesses impact fees, which are collected when a building permit is issued. Impact fees are used to pay for growth-related improvements to parks and recreation, fire, police, transportation and general municipal facilities. These fees are used solely for growth related costs and cannot be used to provide new services or amenities. In addition to impact fees, the Town collects system development fees for the development of water resources, water, and wastewater infrastructure. Like impact fees, these fees are collected when a building permit is issued. These fees are used for the construction of utility infrastructure that is necessary as a result of growth.

## **LONG-TERM FINANCIAL PLANNING**

The annual budget serves as the foundation for the Town's planning and control. All departments of the Town are required to submit budget requests for the following year to Finance by April. These requests are used as a starting point for developing a proposed budget. Finance and the Town Manager present the proposed budget to Council for their review on or before October 31<sup>st</sup>. The Town holds public hearings on the proposed budget and the Council adopts the original budget by December 15<sup>th</sup>.

The Town also prepares and adopts a five-year capital improvement program. Each year, this five-year capital plan is reviewed and updated for projects that are intended to be either designed or constructed within the next five years.

During 2019, the Town moved to a five-year balanced financial plan, from a three-year approach previous to 2019, which identified and planned sustainably, for major financial issues, level of service issues and major projects.

## **RELEVANT FINANCIAL POLICIES**

In November, 1992, Colorado voters approved a State Constitutional Amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues) without a vote of the local citizens. TABOR further requires emergency reserves of at least 3% of fiscal year spending (excluding bonded debt service). Town's management has implemented policies and procedures to ensure compliance with the provisions of TABOR.



## MAJOR INITIATIVES

The Town continued to experience growth during 2019. Total revenue collected for all Town Funds combined exceeded budget and no individual fund exceeded budgeted expenditures for the year. Sales tax revenue increased approximately 4 percent from 2018.

In 2019 the Town completed and opened Deputy Zack S. Parrish III Memorial Park, honoring public safety officers and specifically a hometown Deputy killed in the line of duty. Construction also wrapped up on a two-mile southward extension of the East Plum Creek Trail, which opened in fall 2019. The Town added two officers and three civilian positions in 2019 in the Police Department and one division Chief in the Fire Department. Multiyear strategic plans were updated for both police and fire departments and construction began on the final building at the Towns Public Safety Training Facility.

The Town also completed construction of groundwater wells in the Lanterns and Montaine area and installed a reuse waterline from the Plum Creek Water Reclamation Authority to the Towns Red Hawk Ridge Golf Course so nonpotable water can be used to water the course, saving 60 million gallons in nonrenewable groundwater each year. Construction began on an advanced water treatment process at the Plum Creek Water Purification Facility and building a pipeline and pump station to the Towns new water diversion north of Sedalia to further use of reuse water. In 2019, Castle Rock Water also completed upgrades to Chatfield Reservoir to begin storing water in 2020.

Transportation projects include the improvement of intersections on Founders Parkway at Allen Way and Crowfoot Valley Road. Areas addressed in 2019 within the Towns annual Pavement Maintenance Program included The Meadows and a new traffic signal was installed near Castle Rock Adventist Hospital. A Downtown Mobility Master Plan was completed, which provides possible solutions for improving transportation within Downtown Castle Rock, and a plan to set aside \$20 million in resources towards future construction of the Crystal Valley Interchange if partner funds are available.

Economic priorities of being a self-sufficient community and expanding the tax base continued in 2019. The Town contributed \$2 million toward Arapahoe Community Colleges (ACC) Sturm Collaboration Campus, a partnership among ACC, Douglas County Schools and Colorado State University, with assistance from the Castle Rock Economic Development Council and the Town that opened in fall 2019 with over 600 students. Commercial development included the opening of a number of additional businesses at the Promenade at Castle Rock development. Community events included the continuation of the signature concert series at the Philip S. Miller Park Amphitheater and numerous other special holiday events and open house events, where Council members and Town staff are available to speak with citizens.

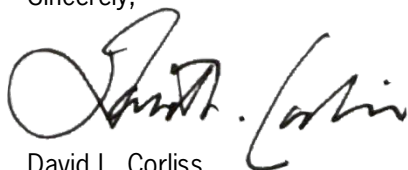
## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Town of Castle Rock the Certificate of Achievement for Excellence in Financial Reporting for its 2018 CAFR. The Certificate of Achievement is a prestigious national award that is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by the Town. In order to receive this award, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. This is the twenty-ninth consecutive year that the Town has received this award.

The Town was also an honored recipient of an award from the GFOA for its third submission of the 2018 PAFR (Popular Annual Financial Report). This report is specifically designed to be readily accessible and easily understandable to the general public without a background in public finance.

We would like to thank the Town Council for their support throughout the year. We would also like to thank the Finance Staff for their dedicated efforts in the preparation of this report.

Sincerely,

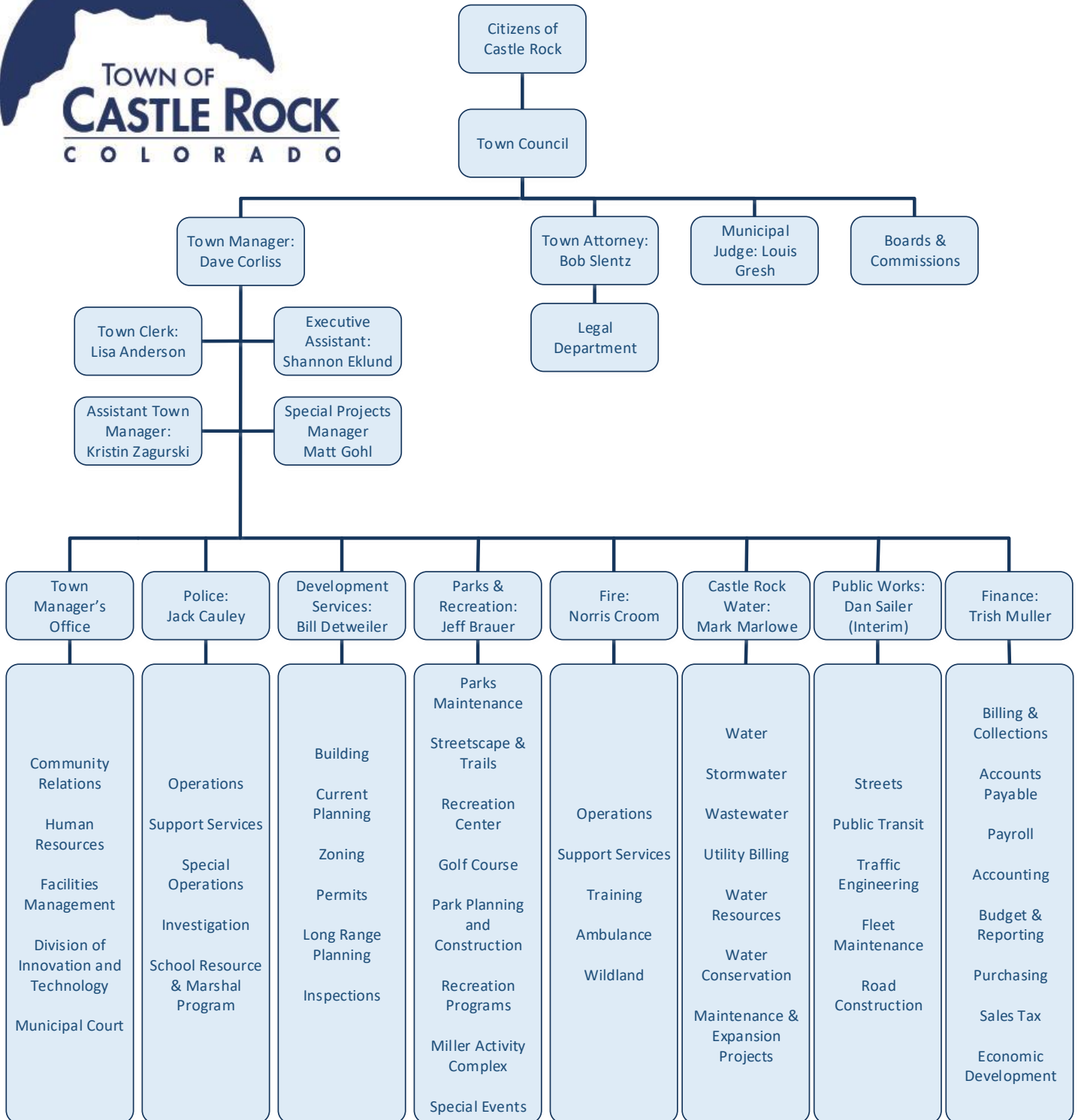
A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is fluid and cursive, with a large initial "D" and "C".

David L. Corliss  
Town Manager

A handwritten signature in black ink, appearing to read "Trish Muller". The signature is cursive, with a large initial "T" and "M".

Trish Muller, CPA  
Finance Director

**Organization Chart**  
**Town of Castle Rock, Colorado**  
**December 2019**



**Town of Castle Rock, Colorado  
Directory of Town Officials  
As of December 31, 2019**

**Town Council**

Mayor	Jason Gray
Council Member - District 1	Jess Loban
Council Member - District 2	James Townsend
Council Member - District 3	Kevin Bracken
Council Member - District 4 (Mayor Pro Tem)	Jason Bower
Council Member - District 5	Caryn Johnson
Council Member - District 6	George Teal

**Appointed Officials**

Town Manager	David L. Corliss
Town Attorney	Robert J. Slentz
Municipal Judge	Louis Gresh

**Executive Leadership**

Director of Development Services	Bill Detweiler
Director of Finance	Trish Muller
Fire Chief	Norris Croom
Director of Parks and Recreation	Jeff Brauer
Police Chief	Jack Cauley
Director of Public Works	Dan Sailer
Director of Castle Rock Water	Mark Marlowe
Town Clerk	Lisa Anderson
Assistant Town Manager	Kristin Read
Special Projects Manager	Matt Gohl



Government Finance Officers Association

**Certificate of  
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**Town of Castle Rock  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO



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## **FINANCIAL SECTION**

*Independent Auditor's Report*

*Management's Discussion and Analysis*

*Basic Financial Statements*

*Required Supplementary Information*

*Combining and Individual Fund Statements and Schedules*

## Independent Auditor's Report

Honorable Mayor and Members of Town Council  
Town of Castle Rock  
Castle Rock, Colorado

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Plum Creek Water Reclamation Authority, a joint venture of the Town, which represents 27.0 percent, 27.7 percent and 2.4 percent, respectively, of the total assets, net position, and revenues of the Wastewater Enterprise Fund and 3.8 percent, 4.2 percent and 0.40 percent, respectively, of the total assets, net position, and revenues of the Town's business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plum Creek Water Reclamation Authority, is based solely on the report of the other auditors. We also did not audit the financial statements of the Castle Rock Downtown Development Authority, the discretely presented component unit of the Town. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Castle Rock Downtown Development Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual funds statements and schedules, Local Highway Finance Report, and introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual funds statements and schedules and Local Highway Finance Report (supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*BKD, LLP*

Denver, Colorado

July 14, 2020



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## Management's Discussion and Analysis

As management of the Town of Castle Rock (Town), Colorado, we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information contained in the Notes to the Basic Financial Statements and our Letter of Transmittal, which can be found in the Introductory Section of the Town's Comprehensive Annual Financial Report (CAFR).

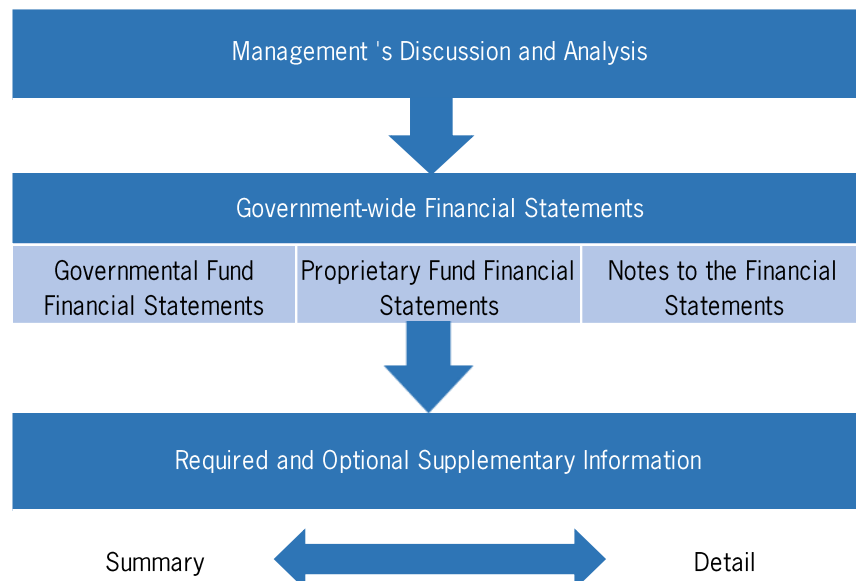
### Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at December 31, 2019 by \$1,075.1 million (*net position*). Of this amount, \$184.0 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total Net Position increased by \$51.3 million or 5 percent.
- As of December 31, 2019, the Town's governmental funds reported combined ending fund balances of \$54.2 million, a decrease of \$7.4 million from 2018.
- The Town's long-term liabilities totaled \$111.0 million at the end of 2019. The \$1.3 million or 1 percent decrease from 2018 was primarily due to debt service payments.
- On December 31, 2019, the unassigned fund balance for the General Fund was \$15.6 million, which consisted of cash reserves of \$12.1 million and unappropriated funds of \$3.5 million.

### Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements.

The basic financial statements are comprised of three components: 1) Town-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains Other Supplementary Information in addition to the basic financial statements and information about the Downtown Development Authority, the discretely presented component unit of the Town.





## **Town-wide Financial Statements**

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

The *Statement of Net Position* reports *net position* as the difference between Town-wide assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the year. 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 result in cash flows in a future period (e.g., uncollected taxes and earned but unused vacation leave).

The Town-wide financial statements distinguish functions of the Town that are primarily 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*). Governmental activities of the Town include: general government, public safety (police and fire), public works (streets and transportation), culture and recreation (parks, open space and recreation), and the Castle Rock Urban Renewal Authority. The business-type activities of the Town include: water, water resources, stormwater, wastewater, golf course, community (recreation) center and development services.

The Town-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate development authority for which the Town is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Castle Rock Urban Renewal Authority, although also legally separate, functions for all practical purposes as a department of the Town, and therefore, has been included as an integral part of the primary government.

## **Fund Financial Statements**

The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 funds of the Town can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Town-wide financial statements. However, unlike the Town-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 year. Such information may be useful in evaluating a Town's near-term financing requirements.

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

The Town maintains fifteen individual governmental funds. Information on the Town's major governmental funds; the General Fund, including the Economic Development Fund, the Transportation Fund and the Transportation Capital

Fund are presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other eleven governmental funds are aggregated into a single "Other Governmental Funds" column. Individual fund data for each of these non-major governmental funds is provided in the Combining and Individual Statements under the Supplemental Information tab.

The Town adopts an annual budget for all governmental funds. A schedule of revenues, expenditures and changes in funds available budget and actual (non-GAAP budgetary basis) has been provided to demonstrate compliance with the budget.

### **Proprietary Funds**

The Town maintains two types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the Town-wide financial statements. The Town uses enterprise funds to account for its water, water resources, stormwater, wastewater, golf course, community center and development services funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's funds and departments. The Town uses internal service funds to account for its fleet of vehicles and to accumulate and pay employee benefits. The internal service funds are included within governmental activities in the Town-wide financial statements since these services predominantly benefit governmental rather than business-type functions.

Proprietary funds provide the same type of information as the Town-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise funds: Water, Water Resources, Stormwater, Wastewater, Golf, Community Center and Development Services. The internal services funds are aggregated into a single column on the proprietary fund financial statements. Individual fund data for internal service funds are provided in the form of Combining Statements under the Supplemental Information tab.

### **Required Supplementary Information and Supplemental Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the Town's progress in funding its obligation to provide pension benefits for firefighters. The General Fund and Transportation Fund budgets are presented as part of Required Supplementary Information.

The combining and individual fund statements and schedules include detailed information about the non-major governmental funds (non-major special revenue funds and non-major capital projects funds), and the internal service funds and is presented as Supplementary Information.

### **Town-wide Financial Analysis**

The chart on the following page shows a summary comparison of the Town's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for 2019 and 2018. Based on that comparison, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources (net position) by \$1,075.1 million at the close of 2019. Net position may serve over time as a useful indicator of the Town's financial position.

<b>NET POSITION</b> <b>DECEMBER 31, 2019 and 2018</b> (In thousands)						
	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>						
Current and other assets	\$ 87,752	\$ 144,129	\$ 231,881	\$ 89,399	\$ 154,389	\$ 243,788
Capital assets	401,543	583,374	984,917	373,588	541,778	915,366
Total assets	489,295	727,503	1,216,798	462,987	696,167	1,159,154
<b>DEFERRED OUTFLOWS</b>						
Pension related amounts	5,090	-	5,090	2,172	-	2,172
Loss on refundings	454	748	1,202	507	878	1,385
Total deferred outflows	5,544	748	6,292	2,679	878	3,557
<b>LIABILITIES</b>						
Long-term liabilities	41,109	69,915	111,024	42,961	69,368	112,329
Other liabilities	23,165	10,954	34,119	18,888	4,428	23,316
Total liabilities	64,274	80,869	145,143	61,849	73,796	135,645
<b>DEFERRED INFLOWS</b>						
Pension related amounts	78	-	78	660	-	660
IREA capital credit	1,375	-	1,375	1,269	-	1,269
Property tax	1,353	-	1,353	1,283	-	1,283
Total deferred inflows	2,806	-	2,806	3,212	-	3,212
<b>Net Position</b>						
Net investment in capital assets	361,695	512,560	874,255	332,762	473,028	805,790
Restricted	16,885	-	16,885	19,853	-	19,853
Unrestricted	49,179	134,822	184,001	47,990	150,221	198,211
Total net position	\$ 427,759	\$ 647,382	\$ 1,075,141	\$ 400,605	\$ 623,249	\$ 1,023,854

### Town-wide Financial Analysis (continued)

By far the largest portion of the net position (81 percent) is reflected in the Town's investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related outstanding debt used to acquire those assets. The Town uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves are not liquidated to pay these liabilities.

An additional portion of the Town's net position, \$16.9 million (2 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$184.0 million) consists primarily of accumulated development impact fees that will be used to fund infrastructure needs caused by growth, accumulated rates and fees that will be used to fund the long term water plan, and Town and management designated reserves for Business-Type Activities (operating, capital, revenue stabilization, and catastrophic failure).

At the end of 2019, the Town reported 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.

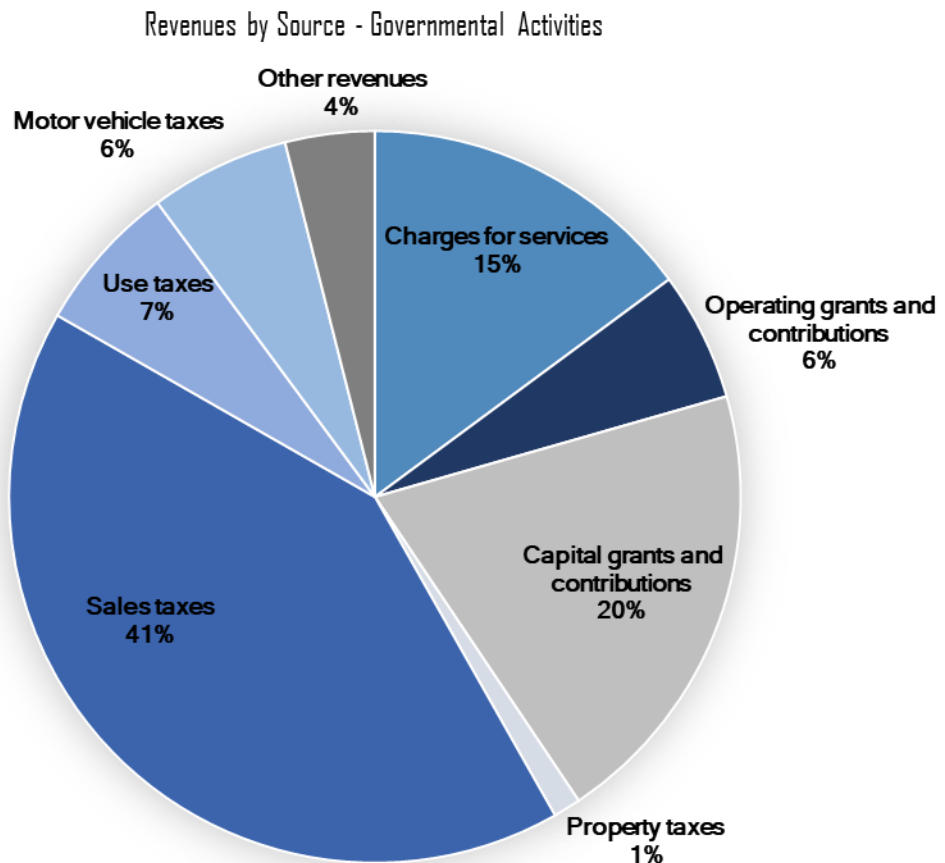
The Town's net position increased \$51.3 million during 2019. There was a \$27.2 million increase in the net position for governmental activities. Total net position of the business-type activities increased \$24.1 million. This increase was partially the result of water, stormwater and wastewater infrastructure valued at \$8 million which was contributed to the utilities enterprise by developers. The remaining \$16.1 million consists of system development fees, charges for services, sales taxes and other revenues less capital and operating expenses.

**2019 AND 2018 CHANGES IN NET POSITION**

(in thousands)

	<b>2019</b>			<b>2018</b>		
	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 18,193	\$ 63,892	\$ 82,085	\$ 18,907	\$ 56,639	\$ 75,546
Operating grants and contributions	6,973	-	6,973	5,357	-	5,357
Capital grants and contributions	24,506	30,603	55,109	19,444	46,319	65,763
General revenues						
Property taxes	1,483	-	1,483	1,331	-	1,331
Sales taxes	50,729	2,591	53,320	48,609	2,456	51,065
Use taxes	8,081	370	8,451	8,861	421	9,282
Other revenues	12,398	3,066	15,464	10,958	2,402	13,360
Total revenues	<u>122,363</u>	<u>100,522</u>	<u>222,885</u>	<u>113,467</u>	<u>108,237</u>	<u>221,704</u>
<b>EXPENSES</b>						
General government	17,615	-	17,615	16,129	-	16,129
Public safety	31,617	-	31,617	28,500	-	28,500
Public works	37,097	-	37,097	29,833	-	29,833
Culture and recreation	7,995	-	7,995	8,201	-	8,201
Interest on long-term debt	1,337	-	1,337	1,429	-	1,429
Water	-	18,519	18,519	-	15,599	15,599
Water Resources	-	9,849	9,849	-	8,696	8,696
Stormwater	-	4,481	4,481	-	4,256	4,256
Wastewater	-	25,749	25,749	-	22,443	22,443
Golf	-	3,020	3,020	-	2,874	2,874
Community center	-	8,085	8,085	-	7,088	7,088
Development services	-	6,234	6,234	-	5,759	5,759
Total expenses	<u>95,661</u>	<u>75,937</u>	<u>171,598</u>	<u>84,092</u>	<u>66,715</u>	<u>150,807</u>
Increase in net position before transfers	26,702	24,585	51,287	29,375	41,522	70,897
Transfers	<u>452</u>	<u>(452)</u>	<u>-</u>	<u>1,304</u>	<u>(1,304)</u>	<u>-</u>
Increase in net position	27,154	24,133	51,287	30,679	40,218	70,897
Net position - January 1	<u>400,605</u>	<u>623,249</u>	<u>1,023,854</u>	<u>369,926</u>	<u>583,031</u>	<u>952,957</u>
Net position - December 31	<u>\$ 427,759</u>	<u>\$ 647,382</u>	<u>\$ 1,075,141</u>	<u>\$ 400,605</u>	<u>\$ 623,249</u>	<u>\$ 1,023,854</u>

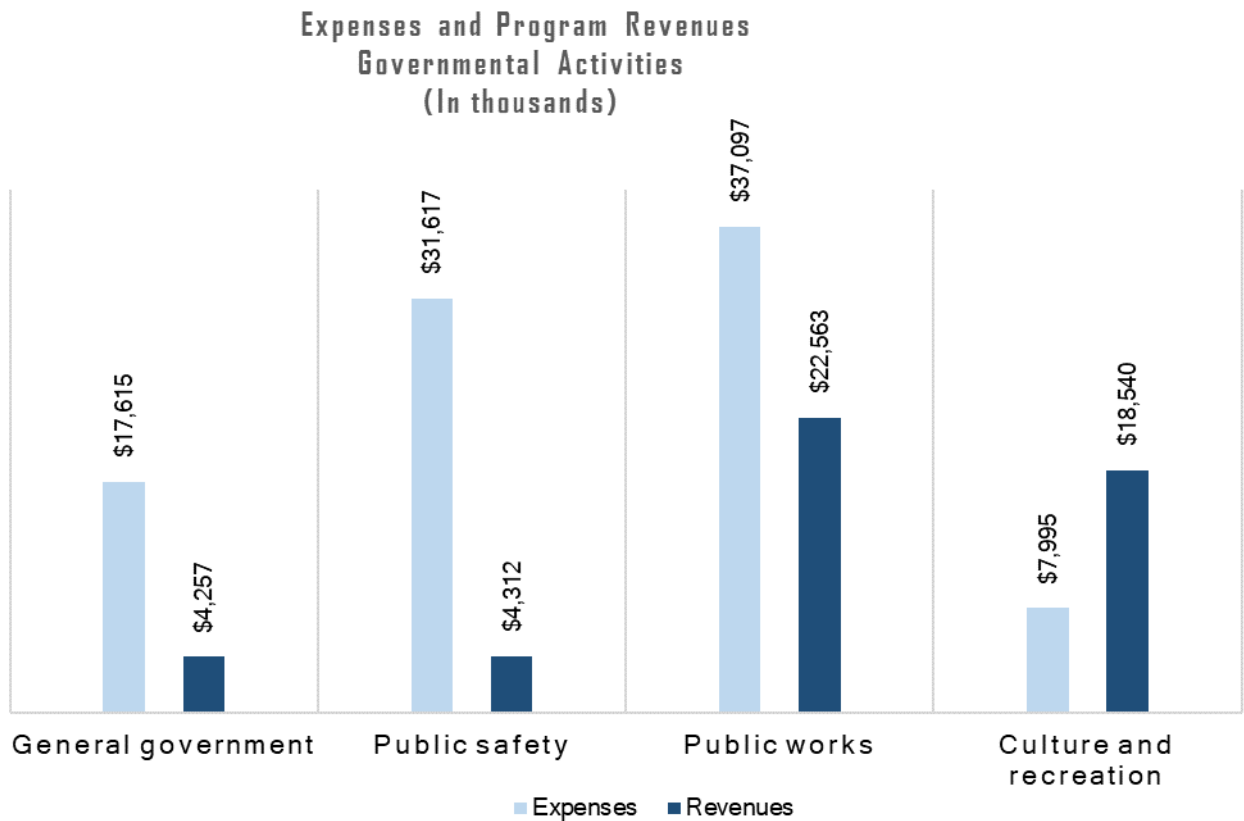
**Governmental activities.** The following chart shows the governmental activities revenues by source. Sales taxes provide 41 percent of the total revenues of the governmental activities. Program revenues including charges for services and grants and contributions provide 41 percent of revenues in the governmental activities. Only 1 percent of the revenues of the governmental activities are provided by property taxes.



Governmental activities increased the Town's net position by \$27.2 million. Key elements of this change are as follows:

- Sales taxes increased by \$2.1 million or 4 percent in 2019
- Use taxes decreased by \$0.8 million or 8.8 percent in 2019
- Operating grants and contributions include various intergovernmental revenues for highways and streets, public safety and parks and recreation projects.
- Capital grants and contributions are primarily assets contributed by developers.

The chart below shows the extent to which expenses of the various functions of governmental activities are covered by program revenues. Certain program revenues of public works are used for the construction of capital assets. These construction costs are not expensed in the year that the revenues are received but are instead capitalized and depreciated over the life of the assets.



Note: This chart does not include tax revenues, which are the primary source of funding for most governmental activities.

**Business-type activities.** Business-type activities increased the Town's net position by \$24.1 million, accounting for 47 percent of the total growth in the Town's net position. Key elements of this increase are as follows:

The change in net position in business-type activities resulted primarily from Water, Water Resources, Stormwater and Wastewater Fund system development fees of \$22.6 million and contributed infrastructure from developers of \$8 million and charges for services offset by capital and operational expenses.

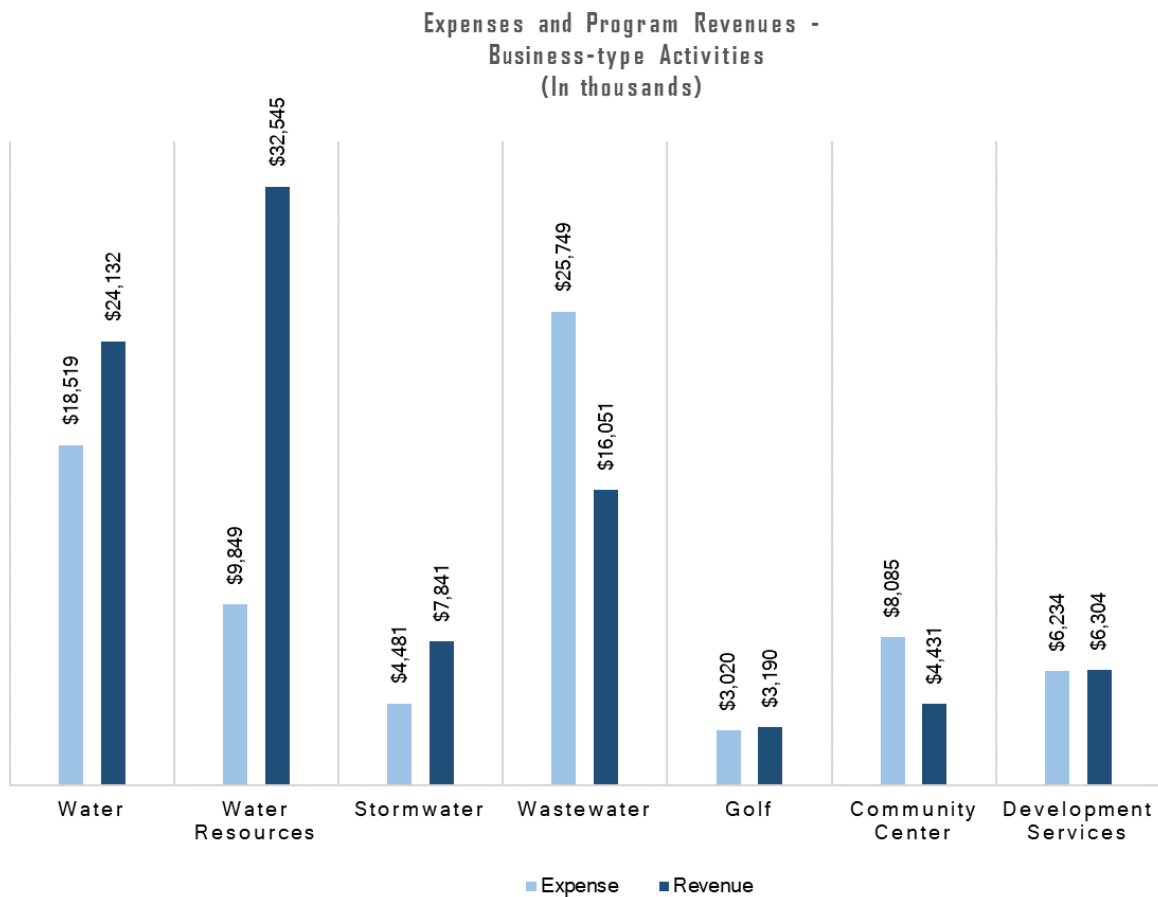




The iconic Castle Rock Star is lighted on top of the rock every year around Thanksgiving and remains lit through the end of the Stock Show in Denver. This tradition has been in place since 1936.

The star was also lit as a symbol of hope in April, 2020 in the midst of the National Emergency declared because of the Coronavirus pandemic.

The chart below reflects all revenues of the enterprise funds including impact fees and system development fees. These impact and development fees can only be used for growth related costs, which are primarily the construction of infrastructure assets.



## Financial Analysis of the Town's Funds

**Governmental funds.** The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a Town's net resources available for spending at the end of the year.

As of December 31, 2019, the governmental funds reported combined ending fund balances of \$54.2 million, which was a decrease of \$7.4 million from 2018. Of the \$54.2 million, the unassigned balance is \$13 million or 24 percent, which is available to spend at the Town's discretion. The unassigned balance includes \$12.1 million in three month cash reserves to cover cash flow requirements for the General Fund. The remaining fund balance of \$41.2 million, consists of fund balance that otherwise has constraints. These constraints include: \$4.7 million in non-spendable funds due to the nature of prepaid and long-term receivables, \$16.9 million in restricted funds due to revenues restricted for a specific purpose of which portions are not yet designated for a specific project, \$17.6 million in committed funds for spending determined by the Town Council, and \$2.1 million in assigned funds for future planned intentions.

The General Fund is the chief operating fund of the Town, which includes a subsidiary fund called the Economic Development Fund. At the end of 2019, fund balance of the General Fund was \$29.5 million, of which \$15.6 million was unassigned. As a measure of the General Fund's liquidity, unassigned fund balance represents 27 percent of the General Fund expenditures. The General Fund balance decreased by \$2.8 million, or 9 percent, during 2019.

At the end of 2019, total fund balance of the Transportation Fund was \$8.44 million. Of this amount, \$0.07 million is non-spendable funds due to prepaids and \$8.4 million is committed by Town Council for future projects. Fund balance for the Transportation Fund decreased \$3.5 million in 2019. Overall, the Transportation Fund revenues increased \$0.3 million or 1 percent in 2019, excluding impact fees that are collected in the Transportation Capital Fund.

The Transportation Capital Fund qualifies as a major fund for 2019 and had a total fund balance of \$11.5 million at the end of 2019, \$1.2 million less than at the end of 2018. The entirety of this amount is identified as restricted for a certain purpose.

Non-major governmental funds, which rely heavily on growth revenues, saw ending fund balances of \$4.8 million in 2019.

**Proprietary funds.** Unrestricted net position of the combined enterprise funds at the end of 2019 were \$135.4 million. The unrestricted net position consists largely of development impact fees that will be used to fund infrastructure needs caused by growth, rates and fees that will be used to fund the long term water plan and Town and management designated reserves for Business-Type Activities (operating, capital, revenue stabilization, and catastrophic failure). There was no restricted net position at the end of 2019. Net position for enterprise funds increased in 2019 by \$24.4 million with \$4.4 million from Water, \$25.9 million from Water Resources, \$3.5 million from Stormwater, \$0.3 million from Golf and \$0.2 million from the Development Services Fund. The net position in the Community Center Fund decreased by \$0.3 million and the net position for the Wastewater Fund decreased by \$9.6 million due to a contribution to the joint venture of the construction effort for the expansion of the Plum Creek Water Reclamation Facility.

Charges for services coupled with capital grants, contributions and transfers exceeded expenses by \$18.4 million. In addition, investment earnings and sales taxes contributed another \$6 million resulting in the increase to net position of \$24.4 million.

The Amphitheater at Philip S. Miller Park may be rented for community events and Town-arranged performers also present a variety of live music throughout the summer months.



<b>CAPITAL ASSETS</b> <b>(net of depreciation)</b> <b>(In thousands)</b>						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 60,556	\$ 46,839	\$ 9,455	\$ 9,455	\$ 70,011	\$ 56,294
Easements	3,319	3,243	11,905	10,452	15,224	13,695
Right of Ways	9,500	5,549	244	244	9,744	5,793
Artwork	294	244	-	-	294	244
Water Rights	-	-	98,280	99,150	98,280	99,150
Water Rights Definite Life	-	-	52,070	52,647	52,070	52,647
Buildings and improvements	48,179	44,712	30,096	31,135	78,275	75,847
Machinery and equipment	14,515	14,956	3,132	1,961	17,647	16,917
Infrastructure	219,246	224,311	256,742	252,389	475,988	476,700
Other structures and improvements	27,182	21,626	3,839	3,837	31,021	25,463
Construction in progress	18,752	12,108	117,610	80,508	136,362	92,616
<b>Total</b>	<b>\$ 401,543</b>	<b>\$ 373,588</b>	<b>\$ 583,373</b>	<b>\$ 541,778</b>	<b>\$ 984,916</b>	<b>\$ 915,366</b>

### Capital Asset and Debt Administration

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$984.9 million (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings and improvements, machinery and equipment, infrastructure (roads, highways, bridges, water and sewer systems), and construction in progress.

#### Major capital asset events during 2019 included:

- Completion and opening of Deputy Zack S. Parrish III Memorial Park in the northwest area of Town
- Completion of a 2 mile southward extension of the East Plum Creek Trail, to Crystal Valley Parkway

- Converted the ballfields at Metzler Ranch Community Park to synthetic turf to conserve 6 million gallons of water annually
- Completed construction of groundwater wells in the Lanterns/Montaine area
- Installed a reuse waterline from Plum Creek Water Reclamation Authority to Red Hawk Ridge Golf Course so nonpotable water can be used to water the course, saving 60 million gallons in nonrenewable groundwater each year
- Began constructing an advanced water treatment process at the Plum Creek Water Purification Facility and building a pipeline and pump station to the Town's new water diversion north of Sedalia to further use of reuse water
- Completed upgrades to Chatfield Reservoir to begin storing water in 2020

Additional information concerning the Town's capital assets can be found in the Notes to the Basic Financial Statements on page(s) 61-62.



*In support of continuing education in Castle Rock, the Town contributed \$2 million toward Arapahoe Community College's Sturtevant Campus – a partnership among ACC, Douglas County Schools and Colorado State University with assistance from the Castle Rock Economic Development Council and the Town that opened in the fall of 2019 with over 600 students.*

## Long-term debt

	OUTSTANDING DEBT					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ 28,038,047	\$ 29,368,312	\$ 63,562,717	\$ 68,144,403	\$ 91,600,764	\$ 97,512,715
Certificates of participation	7,130,000	7,505,000	-	-	7,130,000	7,505,000
Notes Payable	-	2,250,000	4,500,000	-	4,500,000	2,250,000
Capital leases	-	-	407,441	150,452	407,441	150,452
Total	<u>\$ 35,168,047</u>	<u>\$ 39,123,312</u>	<u>\$ 68,470,158</u>	<u>\$ 68,294,855</u>	<u>\$ 103,638,205</u>	<u>\$ 107,418,167</u>
The Town has no general obligation bonds outstanding.						

At the end of 2019, the Town had total long-term debt outstanding of \$103.6 million. Of this amount, there were no general obligation bonds outstanding. There were revenue bonds of \$91.6 million and \$7.1 million in certificates

of participation secured by specific revenue sources. The remainder of the debt (\$4.9 million) consists of notes and capital leases.

The Town's total long-term debt decreased by \$3.8 million or 4 percent in 2019 due primarily to scheduled debt service payments.

Additional information on the Town's long-term debt can be found in the Notes to the Basic Financial Statements on page(s) 64-70.

## **General Fund Budgetary Highlights**

Unspent capital project appropriations do not automatically carry over into the new year, but unspent amounts are re-appropriated in the following year. The increase of \$8.7 million between the total "original" budgets and the "final" amended budgets for the General Fund was due to carryforward of previously unspent capital items including \$2 million for the economic incentive agreement with the collaborative campus effort, \$2 million for construction of the East Plum Creek Trail extension, \$1.7 million for turf replacement at Metzler Park, \$1.2 million for additional construction needs at the new Public Safety Training Facility and acquisition of property for a future roundabout near the Wolfensberger and I-25 on ramp in 2019.

When comparing budgeted to actual expenditures in the General Fund and subsidiary Economic Development Fund, there was a positive variance of \$4.1 million and \$2.0 million respectively. For the General Fund, this was made up of unspent capital funds of \$2.0 million or 49 percent, for projects not completed in 2019, personnel costs of \$0.8 million or 21 percent, and \$1.3 million or 32 percent in services and other expenses such as utility costs, vehicle repairs, and contingencies. For the Economic Development Fund, the \$2.0 million were economic development opportunities that have not yet come to fruition in 2019 and will be re-appropriated in a future year.

## **Economic Factors and Next Year's Budgets and Rates**

It is important to note that as a result of the 2020 COVID-19 health emergency, management anticipates that revenues of the Town may be affected due to the impact on sales and use taxes that the economic shutdown will have. A history of conservative financial management coupled with healthy reserves and fund balances available to deploy as well as capital improvement program funding that can be accessed, the Town is well positioned to work through the fiscal outcomes of the pandemic.

In the development of the budget for the General Fund, the Town considered the following factors:

- The Town continued to experience growth during 2019 with the issuance of permits for 1,170 new residential units (901 single family, 269 multi-family, and 44 new commercial permits). The Town will budget 700 new residential units and 118 multifamily units in the 2020 budget.
- No increase in tax rates of any kind.
- Unemployment rate for the State of Colorado.
- Inflation as measured by the change in the Denver-Boulder consumer price index (CPI).

The Town collects nine different development and impact fees to defray the costs of new infrastructure needs that are caused by growth. The Town has fee schedules for its various development, system development and impact fees and beginning in 2020, impact fees will be adjusted annually for inflation.

Existing rates and fees are set pursuant to Town Council approved schedules or policies, with no new fees proposed for 2020. The 2020 budget includes a decrease of 3 percent for wastewater fees for the typical existing residential water customer, along with an increase in growth-related water system development fees. Increases in development impact fees for transportation and parks and recreation projects are also included.

The 2020 budget provides for \$69.4 million in capital improvements. This includes the following significant projects:

- Design and initiate phase one construction of a neighborhood park in Cobblestone Ranch, which is planned to be complete in 2021
- Replace playground equipment and other amenities within existing parks, including Butterfield Crossing, Mitchell Gulch and Plum Creek parks
- Complete construction of the North Building at the Towns Public Safety Training Facility
- Widen Plum Creek Parkway east of Gilbert Street to Eaton Circle, including constructing two new roundabouts
- Improve certain Downtown alleys and begin work on a Downtown Alley Master Plan
- Acquire the remaining right of way needed and set aside funds toward the future Crystal Valley Parkway Interchange with Interstate 25
- Complete upgrades to the Plum Creek Water Purification Facility so the Town can provide purified reuse water, and complete construction of the pump station and reuse pipeline from the Towns diversion and reservoir north of Sedalia to deliver reuse water to the Plum Creek Water Purification Facility
- Continue the WISE, Box Elder and Chatfield Reallocation renewable water projects, as well as consider purchase of Cherry Creek renewable water rights
- Add and improve Denver Basin groundwater supply wells
- Invest in projects at the Plum Creek Water Reclamation Authority, which treats the Towns wastewater, and rehabilitate/replace some of the Towns aging sanitary sewer pipe
- Construct a new water tank in Liberty Village/Cobblestone Ranch

## Requests for Information

This financial report is designed to provide a general overview for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Finance Department, 100 North Wilcox Street, Castle Rock, Colorado 80104.

*The Town of Castle Rock offers many ways to stay connected and informed such as:*

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## ***Basic Financial Statements***

***Town-wide Financial Statements***

***Fund Financial Statements***

***Notes to the Basic Financial Statements***



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***Town-wide Financial Statements***



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TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Castle Rock Downtown Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,931,543	\$ 38,306,300	\$ 75,237,843	\$ 508,983
Investments	32,840,627	68,378,773	101,219,400	-
Restricted cash and cash equivalents	900,000	5,009,381	5,909,381	-
Cash held in escrow	3,135,480	-	3,135,480	-
Receivables				
Property taxes	1,353,067	-	1,353,067	178,226
Grants	1,803,660	-	1,803,660	-
Sales taxes	5,855,188	322,499	6,177,687	-
Accounts, net of allowance of \$198,915	3,174,413	3,515,075	6,689,488	7,570
Long term receivable	1,374,803	-	1,374,803	-
Internal balances	(195,545)	195,545	-	-
Prepaid items	578,766	899,951	1,478,717	7,103
Inventory	-	73,111	73,111	-
Capital assets				
Land	60,555,627	9,454,785	70,010,412	-
Water rights	-	170,914,994	170,914,994	-
Artwork	293,733	-	293,733	-
Right of way	9,499,564	244,469	9,744,033	-
Easements	3,318,548	11,904,892	15,223,440	-
Construction in progress	18,752,157	117,609,833	136,361,990	-
Buildings and improvements	64,504,899	40,512,245	105,017,144	215,444
Infrastructure	385,573,411	393,182,086	778,755,497	-
Other structures and improvements	63,110,665	6,504,871	69,615,536	-
Machinery and equipment	39,101,919	7,733,642	46,835,561	146,563
Accumulated depreciation	(243,167,959)	(174,688,304)	(417,856,263)	(246,312)
Investment in joint venture	-	27,428,892	27,428,892	-
Total assets	489,294,566	727,503,040	1,216,797,606	817,577
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	5,090,300	-	5,090,300	-
Loss on refundings	453,654	747,529	1,201,183	-
Total deferred outflows of resources	5,543,954	747,529	6,291,483	-

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

## TOWN OF CASTLE ROCK, COLORADO

## TOWN-WIDE

## STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Castle Rock Downtown Development Authority
<b>LIABILITIES</b>				
Accounts payable	9,640,039	8,930,242	18,570,281	1,543
Accounts payable from restricted assets	900,000	-	900,000	-
Retainage payable	1,110,442	1,051,707	2,162,149	-
Accrued liabilities	120,653	194,024	314,677	12,484
Deposits	3,305,578	197,928	3,503,506	-
Unearned revenues	8,088,489	579,354	8,667,843	-
Non-current liabilities				
Due within one year	4,157,420	5,079,606	9,237,026	-
Due beyond one year	36,951,308	64,835,587	101,786,895	-
Total liabilities	64,273,929	80,868,448	145,142,377	14,027
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related amounts	77,502	-	77,502	-
IREA capital credit	1,374,803	-	1,374,803	-
Sponsorships	-	-	-	12,833
Property tax	1,353,067	-	1,353,067	178,226
Total deferred inflows of resources	2,805,372	-	2,805,372	191,059
<b>NET POSITION</b>				
Net investment in capital assets	361,694,721	512,559,768	874,254,489	115,695
Restricted for parks and open space	500,943	-	500,943	-
Restricted for emergencies	2,052,460	-	2,052,460	-
Restricted for capital projects	14,309,601	-	14,309,601	-
Restricted for other purposes	21,855	-	21,855	7,500
Unrestricted	49,179,639	134,822,353	184,001,992	489,296
Total net position	\$ 427,759,219	\$ 647,382,121	\$ 1,075,141,340	\$ 612,491

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities			
General government	\$ 17,615,169	\$ 4,256,832	\$ -
Public safety	31,616,925	4,001,601	310,690
Public works	37,096,813	6,473,501	5,791,712
Culture and recreation	7,995,062	3,460,974	870,812
Interest on long-term debt	1,337,305	-	-
Total Governmental activities	95,661,274	18,192,908	6,973,214
Business-type activities			
Water	18,519,142	18,236,901	-
Water resources	9,849,461	16,465,907	-
Stormwater	4,480,720	4,049,342	-
Wastewater	25,748,740	11,214,673	-
Golf	3,020,217	3,189,851	-
Community center	8,084,639	4,430,672	-
Development services	6,233,635	6,304,317	-
Total Business-type activities	75,936,554	63,891,663	-
	<u>\$ 171,597,828</u>	<u>\$ 82,084,571</u>	<u>\$ 6,973,214</u>
Component unit:			
Castle Rock Downtown Development Authority	<u>\$ 425,428</u>	<u>\$ 121,571</u>	<u>\$ 194,166</u>
General revenues			
Taxes			
Property			
Sales			
Use			
Motor vehicle			
Other			
Unrestricted investment earnings			
Other revenues not restricted for a purpose			
Transfers			
Total general revenues and transfers			
Changes in net position			
Net position - January 1			
Net Position - December 31			

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Castle Rock Downtown Development Authority
\$ -	\$ (13,358,337)	\$ -	\$ (13,358,337)	\$ -
-	(27,304,634)	-	(27,304,634)	-
10,297,549	(14,534,051)	-	(14,534,051)	-
14,208,691	10,545,415	-	10,545,415	-
-	(1,337,305)	-	(1,337,305)	-
24,506,240	(45,988,912)	-	(45,988,912)	-
5,895,551	-	5,613,310	5,613,310	-
16,079,149	-	22,695,595	22,695,595	-
3,791,861	-	3,360,483	3,360,483	-
4,836,699	-	(9,697,368)	(9,697,368)	-
-	-	169,634	169,634	-
-	-	(3,653,967)	(3,653,967)	-
-	-	70,682	70,682	-
30,603,260	-	18,558,369	18,558,369	-
\$ 55,109,500	\$ (45,988,912)	\$ 18,558,369	\$ (27,430,543)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (109,691)
1,483,121	-	1,483,121	190,587	-
50,729,264	2,591,211	53,320,475	-	-
8,080,760	369,908	8,450,668	-	-
7,560,750	445,355	8,006,105	-	-
3,111,497	-	3,111,497	-	-
1,589,888	2,620,319	4,210,207	-	-
135,487	-	135,487	16,390	-
452,076	(452,076)	-	-	-
73,142,843	5,574,717	78,717,560	206,977	-
27,153,931	24,133,086	51,287,017	97,286	-
400,605,288	623,249,035	1,023,854,323	515,205	-
\$ 427,759,219	\$ 647,382,121	\$ 1,075,141,340	\$ 612,491	-



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***Fund Financial Statements***



# GOVERNMENTAL FUNDS

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of a total governmental fund classification (assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures) and at least 5% of the combined governmental and enterprise funds total for the same classification.

## MAJOR FUNDS

### **General Fund**

The General Fund is the primary operating fund of the Town. This fund accounts for all financial resources of the Town except those required to be accounted for in another fund. Included in the General Fund is Economic Development, which is a sub-fund of the General Fund. Economic Development is used to facilitate expansion of the tax base, through primary job creation and improved local economy.

### **Transportation Fund**

The Transportation Fund is a special revenue fund that accounts for the accumulation of financial resources and expenditures for the repair and maintenance of streets, bridges, sidewalks, and public transit and the acquisition of easements and right-of-ways, development of transportation facilities and for the operations of the department responsible for the construction and maintenance of such facilities.

### **Transportation Capital Fund**

The Transportation Capital Fund accounts for the resources and expenditures for the construction of new transportation projects which accommodate growth in the Castle Rock area.

## NON-MAJOR FUNDS

### **Other Governmental Funds**

The Other Governmental Funds column is an aggregate of the following non-major governmental funds.

#### ***Special Revenue Funds***

Conservation Trust  
Philip S. Miller Trust  
Public Art  
Police Forfeiture  
Downtown Development Authority TIF  
Castle Rock Urban Renewal Authority

#### ***Capital Project Funds***

Parks and Recreation Capital  
Municipal Facilities Capital  
Fire Capital  
Police Capital  
General Long Term Planning

## TOWN OF CASTLE ROCK, COLORADO

## GOVERNMENTAL FUNDS

## BALANCE SHEET

DECEMBER 31, 2019

	General	Transportation	Transportation Capital	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,683,214	\$ 7,609,220	\$ 8,519,280	\$ 5,593,395	\$ 32,405,109
Investments	15,500,114	4,038,600	6,423,487	4,682,822	30,645,023
Restricted cash and cash equivalents	900,000	-	-	-	900,000
Cash held in Escrow	-	-	-	3,135,480	3,135,480
Receivables					
Property taxes	1,353,067	-	-	-	1,353,067
Sales taxes	4,352,649	1,502,539	-	-	5,855,188
Accounts, net of allowance of \$198,915	1,664,545	1,140,002	2,065,449	39,510	4,909,506
Prepaid items	498,669	69,817	-	2,669	571,155
Advance to other funds	730,692	-	-	-	730,692
Loans to other funds	5,107,268	-	-	200,694	5,307,962
Total assets	<u>\$ 40,790,218</u>	<u>\$ 14,360,178</u>	<u>17,008,216</u>	<u>\$ 13,654,570</u>	<u>\$ 85,813,182</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 3,603,875	\$ 1,816,223	3,218,732	\$ 156,385	\$ 8,795,215
Accounts payable from restricted assets	900,000	-	-	-	900,000
Retainage payable	86,401	494,395	523,095	6,551	1,110,442
Deposits	3,305,578	-	-	-	3,305,578
Unearned revenues	713,523	3,609,771	-	3,175,480	7,498,774
Advance from other funds	-	-	-	730,692	730,692
Loans from other funds	1,268,247	-	-	4,807,147	6,075,394
Total liabilities	<u>9,877,624</u>	<u>5,920,389</u>	<u>3,741,827</u>	<u>8,876,255</u>	<u>28,416,095</u>
<b>Deferred inflows of resources</b>					
Property taxes	1,353,067	-	-	-	1,353,067
Unavailable fund resources	12,607	-	1,791,053	-	1,803,660
Total liabilities and deferred inflows of resources	<u>11,243,298</u>	<u>5,920,389</u>	<u>5,532,880</u>	<u>8,876,255</u>	<u>31,572,822</u>
<b>Fund balances</b>					
Nonspendable	4,591,792	69,817	-	2,669	4,664,278
Restricted	2,052,460	-	11,475,336	3,357,063	16,884,859
Committed	5,164,845	8,369,972	-	4,060,313	17,595,130
Assigned	2,145,008	-	-	-	2,145,008
Unassigned	15,592,815	-	-	(2,641,730)	12,951,085
Total fund balances	<u>29,546,920</u>	<u>8,439,789</u>	<u>11,475,336</u>	<u>4,778,315</u>	<u>54,240,360</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,790,218</u>	<u>\$ 14,360,178</u>	<u>\$ 17,008,216</u>	<u>\$ 13,654,570</u>	<u>\$ 85,813,182</u>

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

# TOWN OF CASTLE ROCK, COLORADO

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2019

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Total governmental funds - fund balances	\$ 54,240,360
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Amounts reported for governmental activities in the Statement of Net Position are different from governmental fund balances because:

Net capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Less \$10,063,545 internal service fund capital assets.	391,479,019
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Long-term receivables related to regulatory activities do not provide current financial resources until received and therefore are not recorded in the funds.	1,374,803
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Internal service funds are used by management to charge the costs of insurance, employee benefits, vehicle replacement, and other activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of the amount allocated to business-type activities.	15,935,190
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Deferred outflows of resources, related to the loss on refundings is amortized over future reporting periods and is not recorded in the funds.	453,654
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Deferred outflows of resources of \$5,090,300 and inflows of resources of (\$77,502), related to pension activity, that represent acquisition or consumption of net position that applies to future reporting periods and therefore are not reported in the funds.	5,012,798
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Revenues associated with long-term receivables related to regulatory activities are not recognized in the fund statements until expended for the intended purpose. These revenues are reported as deferred inflows of resources in the governmental statement of net position.	(1,374,803)
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Long-term liabilities, including bonds payable, capital leases, compensated absences and accrued interest payable are not due and payable in the current period and therefore are not reported in the governmental funds.	(39,495,905)
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Net pension liabilities are not due and payable in the current period and therefore not reported in the funds.	(1,669,557)
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Deferred inflows of resources related to unavailable fund resources are recognized as revenue in the Town-wide financial statements.	1,803,660
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Net position of the governmental activities	<u>\$ 427,759,219</u>
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The notes to the financial statements are an integral part of the financial statements.

TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Transportation	Transportation Capital	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	\$ 1,260,995	\$ -	\$ -	\$ 222,126	\$ 1,483,121
Sales	34,692,600	14,618,800	-	1,417,864	50,729,264
Use	1,218,758	2,942,867	2,203,350	1,715,785	8,080,760
Motor vehicle	4,539,944	3,020,806	-	-	7,560,750
Other taxes	3,111,497	-	-	-	3,111,497
Charges for services	2,311,109	123	-	253,187	2,564,419
Development impact fees	-	-	6,473,378	4,680,424	11,153,802
Management fees	3,421,034	-	-	-	3,421,034
Licenses and permits	103,297	-	-	169,190	272,487
Fines and forfeitures	402,875	-	-	-	402,875
Investment earnings	660,724	341,738	289,241	185,777	1,477,480
Intergovernmental	1,234,840	4,984,079	1,450,906	580,614	8,250,439
Contributions and donations	760,570	325,000	-	302,870	1,388,440
Other	395,784	11,128	295	16,460	423,667
Total revenues	54,114,027	26,244,541	10,417,170	9,544,297	100,320,035
EXPENDITURES					
Current					
General government	15,846,344	-	-	567,596	16,413,940
Public safety	30,487,449	-	-	3,285	30,490,734
Public works	-	24,571,541	6,205	-	24,577,746
Culture and recreation	4,541,604	-	-	922,508	5,464,112
Capital outlay	6,806,654	1,711,378	13,251,513	4,080,291	25,849,836
Debt service					
Principal	-	595,000	500,000	2,625,000	3,720,000
Interest	-	285,775	852,163	389,709	1,527,647
Agency fees	-	300	300	2,000	2,600
Total expenditures	57,682,051	27,163,994	14,610,181	8,590,389	108,046,615
Excess (deficiency) of revenues over (under) expenditures	(3,568,024)	(919,453)	(4,193,011)	953,908	(7,726,580)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,512,643	-	3,086,963	664,871	5,264,477
Transfers out	(695,138)	(2,578,813)	(55,870)	(1,641,380)	(4,971,201)
Total other financing sources (uses)	817,505	(2,578,813)	3,031,093	(976,509)	293,276
Net change in fund balances	(2,750,519)	(3,498,266)	(1,161,918)	(22,601)	(7,433,304)
Fund balances - January 1	32,297,439	11,938,055	12,637,254	4,800,916	61,673,664
Fund balances - December 31	\$ 29,546,920	\$ 8,439,789	\$ 11,475,336	\$ 4,778,315	\$ 54,240,360

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

## TOWN OF CASTLE ROCK, COLORADO

### RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

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Net change in fund balances total government funds \$ (7,433,304)

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

Governmental funds report capital outlay \$25,849,836 as an expenditure while in the statement of activities the cost of those assets are capitalized and allocated over the estimated useful lives and reported as depreciation expense (\$16,606,212). This amount is the net difference between capital outlay and depreciation reported in the current period, less depreciation related to internal service funds. 9,243,624

Contributed assets do not require the use of current financial resources of governmental funds, but are treated as revenues in the statement of activities. In 2019 the Town received capital assets for streets (public works) valued at \$7,538,222, land and easements (culture and recreation) valued at \$12,498,692. 20,036,914

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt. 3,299,975

Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds, and to provide vehicle repair, maintenance and replacement. The net revenue (expenditures) of the internal service funds is reported with the governmental activities, net of the amount allocated to business-type activities. (189,439)

Pension related expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the funds. 392,501

Deferred inflows of resources related to unavailable fund resources are not recognized as revenue in the governmental funds. 1,803,660

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Change in net position of governmental activities \$ 27,153,931

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

## ***PROPRIETARY FUNDS***

Major proprietary funds are enterprise funds that comprise 10% or more of a total enterprise fund classification (assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures) and at least 5% of the combined governmental and enterprise funds total for the same classification. The Town has elected to show all enterprise funds as Major Funds.

Enterprise funds account for operations that are financed and operated in a manner similar to private business where costs are predominantly supported by user charges or where management has decided periodic determination of revenues, expenses and / or changes in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

### ***MAJOR FUNDS***

#### **Water Fund**

The Water Fund accounts for activities related to water well development and extraction, water treatment, water transportation systems and for the repair and maintenance of such facilities.

#### **Water Resources Fund**

The Water Resources Fund accounts for the Town's activities related to the analysis and measurement of the long-term water needs of the Town including conservation promotion and the development and maintenance of ground water and renewable water sources.

#### **Stormwater Fund**

The Stormwater Fund accounts for the development, operation and maintenance of infrastructure related to storm water run-off including storm sewers, detention ponds and other drainage ways within the Town.

#### **Wastewater Fund**

The Wastewater Fund accounts for the development and operation of activities related to the collection and treatment of wastewater.

#### **Golf Fund**

The Golf Fund accounts for the activities related to the construction, operation and maintenance of the Town owned golf course, Red Hawk Ridge, at Castle Rock.

#### **Community Center Fund**

The Community Center Fund accounts for the Town's recreational facilities including a recreation center, the Miller Activity Center, two outdoor pools, inline skating rinks, multi-purpose ball fields, and a skateboard park. This fund also accounts for recreational and child care programs.

#### **Development Services Fund**

The Development Services Fund accounts for revenues and expenses related to community development within the Town. Primary revenues are from user fees to include building and electrical permits, plan reviews and inspections.



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TOWN OF CASTLE ROCK, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Water	Water Resources	Stormwater	Wastewater
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 10,821,904	\$ 12,457,805	\$ 5,566,945	\$ 6,631,140
Investments	11,293,763	48,769,453	2,878,710	1,218,648
Restricted cash and cash equivalents	-	-	4,500,000	-
Receivables	830,635	1,291,246	293,031	1,040,404
Prepaid items	437,615	277,729	31,298	28,376
Inventory	-	-	-	-
Total current assets	23,383,917	62,796,233	13,269,984	8,918,568
Non-current Assets				
Capital assets				
Land	2,075,814	783,000	53,693	947,834
Easements	2,686,531	121,733	8,230,646	859,882
Right of way	28,024	-	216,445	-
Water rights	89,172,797	81,742,197	-	-
Construction in progress	9,510,789	103,271,521	4,096,046	710,720
Buildings and improvements	3,089,307	18,588,063	820,924	2,441,379
Infrastructure	204,532,835	23,908,267	73,556,274	91,184,710
Machinery and equipment	3,135,127	1,191,992	140,342	922,290
Other structures and improvements	2,134,712	904,056	710,970	1,176,941
Accumulated depreciation	(109,875,494)	(6,127,536)	(17,685,041)	(33,183,124)
Total capital assets (net of accumulated depreciation)	206,490,442	224,383,293	70,140,299	65,060,632
Investment in joint venture	-	-	-	27,428,892
Loans to other funds	-	1,268,247	-	-
Total non-current assets	206,490,442	225,651,540	70,140,299	92,489,524
Total assets	229,874,359	288,447,773	83,410,283	101,408,092
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refundings	368,461	-	-	77,714
LIABILITIES				
Current liabilities				
Accounts payable	2,188,341	5,233,543	212,011	766,750
Retainage payable	328,255	633,715	71,055	18,682
Accrued interest payable	26,016	150,331	2,880	4,013
Deposits	176,525	-	-	-
Revenue bonds payable-current	1,421,800	1,925,000	-	283,200
Capital leases-current	-	-	-	-
Accrued leave-current	375,029	47,035	74,911	17,937
Unearned revenues	298,546	-	18,520	193,454
Total current liabilities	4,814,512	7,989,624	379,377	1,284,036
Non-current liabilities				
Revenue bonds net of unamortized premiums (discounts)	7,115,369	48,279,422	-	1,012,926
Notes payable	-	-	4,500,000	-
Leases payable	-	-	-	-
Accrued leave	253,751	18,026	54,847	4,244
Loans from other funds	-	-	-	-
Total non-current liabilities	7,369,120	48,297,448	4,554,847	1,017,170
Total liabilities	12,183,632	56,287,072	4,934,224	2,301,206
NET POSITION				
Net investment in capital assets	196,405,959	168,742,370	69,937,108	63,798,005
Unrestricted	21,653,229	63,418,331	8,538,951	35,386,595
Total net position	\$ 218,059,188	\$ 232,160,701	\$ 78,476,059	\$ 99,184,600

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



	Golf	Community Center	Development Services	Total Enterprise Funds	Governmental Activities
					Internal Service Funds
\$	884,011	\$ 1,079,968	\$ 864,527	\$ 38,306,300	\$ 4,526,434
	223,957	704,987	3,289,255	68,378,773	2,195,604
	509,381	-	-	5,009,381	-
	2,366	364,673	15,219	3,837,574	68,567
	31,098	29,964	63,871	899,951	7,611
	73,111	-	-	73,111	-
	<u>1,723,924</u>	<u>2,179,592</u>	<u>4,232,872</u>	<u>116,505,090</u>	<u>6,798,216</u>
	5,412,479	181,965	-	9,454,785	-
	-	-	6,100	11,904,892	-
	-	-	-	244,469	-
	-	-	-	170,914,994	-
	-	20,757	-	117,609,833	5,620
	2,207,364	8,167,414	5,197,794	40,512,245	-
	-	-	-	393,182,086	-
	1,244,309	1,046,144	53,438	7,733,642	25,711,942
	869,366	708,826	-	6,504,871	-
	(2,082,635)	(5,341,359)	(393,115)	(174,688,304)	(15,654,017)
	<u>7,650,883</u>	<u>4,783,747</u>	<u>4,864,217</u>	<u>583,373,513</u>	<u>10,063,545</u>
	-	-	-	27,428,892	-
	-	-	-	1,268,247	-
	<u>7,650,883</u>	<u>4,783,747</u>	<u>4,864,217</u>	<u>612,070,652</u>	<u>10,063,545</u>
	<u>9,374,807</u>	<u>6,963,339</u>	<u>9,097,089</u>	<u>728,575,742</u>	<u>16,861,761</u>
	301,354	-	-	747,529	-
	55,682	231,422	242,493	8,930,242	844,824
	-	-	-	1,051,707	-
	10,784	-	-	194,024	-
	1,113	8,400	11,890	197,928	-
	400,000	-	-	4,030,000	-
	164,052	-	-	164,052	-
	44,150	54,372	272,120	885,554	41,723
	66,862	1,972	-	579,354	589,715
	<u>742,643</u>	<u>296,166</u>	<u>526,503</u>	<u>16,032,861</u>	<u>1,476,262</u>
	3,125,000	-	-	59,532,717	-
	-	-	-	4,500,000	-
	243,389	-	-	243,389	-
	104,984	113,925	9,704	559,481	22,196
	500,815	-	-	500,815	-
	<u>3,974,188</u>	<u>113,925</u>	<u>9,704</u>	<u>65,336,402</u>	<u>22,196</u>
	<u>4,716,831</u>	<u>410,091</u>	<u>536,207</u>	<u>81,369,263</u>	<u>1,498,458</u>
	4,028,362	4,783,747	4,864,217	512,559,768	9,893,759
	930,968	1,769,501	3,696,665	135,394,240	5,469,544
\$	<u>4,959,330</u>	<u>\$ 6,553,248</u>	<u>\$ 8,560,882</u>	<u>\$ 647,954,008</u>	<u>\$ 15,363,303</u>

*TOWN OF CASTLE ROCK, COLORADO*

*RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2019*

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Total enterprise net position	\$	647,954,008
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Amounts reported for business-type activities in the Statement of Net Position are different from the enterprise funds Net Position because:

Internal balances between the governmental activities and the business-type activities result from the allocation of the internal service funds profit / loss that are attributable to the business-type activities: water, water resources, stormwater, wastewater, golf, community center and development services.

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(571,887)

Net position of the business-type activities

\$	647,382,121
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The notes to the financial statements are an integral part of the financial statements.



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TOWN OF CASTLE ROCK, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water	Water Resources	Stormwater	Wastewater
OPERATING REVENUES				
Charges for services	\$ 15,297,251	\$ 9,817,426	\$ 3,552,640	\$ 11,005,301
Fines and forfeitures	359,657	147,158	-	154
Intergovernmental	2,287,193	-	395,025	-
Other	292,800	6,501,323	101,677	209,218
Total operating revenues	18,236,901	16,465,907	4,049,342	11,214,673
OPERATING EXPENSES				
Cost of sales and services	-	-	-	-
Operations	11,950,666	7,312,895	2,488,862	23,545,741
Depreciation	6,001,534	1,166,762	1,901,184	2,527,276
Total operating expenses	17,952,200	8,479,657	4,390,046	26,073,017
Operating income (loss)	284,701	7,986,250	(340,704)	(14,858,344)
NON-OPERATING REVENUES (EXPENSES)				
Taxes	-	-	-	-
Investment earnings	505,947	1,681,116	179,156	108,442
Gain (loss) on disposal of capital assets	(208,610)	-	-	-
Interest expense	(288,396)	(1,337,539)	(2,880)	(48,904)
Debt issue costs	-	-	(49,500)	-
Agency and other fees	(552)	(300)	-	(48)
Net income (loss) from joint venture	-	-	-	404,102
Total non-operating revenues (expenses)	8,389	343,277	126,776	463,592
Net income (loss) before contributions and transfers	293,090	8,329,527	(213,928)	(14,394,752)
CONTRIBUTIONS AND TRANSFERS				
System development fees	2,629,558	16,079,149	1,111,668	2,802,641
Capital asset contributions	3,265,993	-	2,680,193	2,034,058
Transfers in	10,125	1,613,394	-	-
Transfers out	(1,794,388)	(64,042)	(72,156)	(40,149)
Total contributions and transfers	4,111,288	17,628,501	3,719,705	4,796,550
Change in fund net position	4,404,378	25,958,028	3,505,777	(9,598,202)
Total net position - January 1	213,654,810	206,202,673	74,970,282	108,782,802
Total net position - December 31	\$ 218,059,188	\$ 232,160,701	\$ 78,476,059	\$ 99,184,600

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

				Governmental Activities
Golf	Community Center	Development Services	Total Enterprise Funds	Internal Service Funds
\$ 3,186,921	\$ 4,196,488	\$ 6,302,236	\$ 53,358,263	\$ 10,754,839
-	-	-	506,969	-
-	40,500	-	2,722,718	-
2,930	193,684	2,081	7,303,713	1,753,134
3,189,851	4,430,672	6,304,317	63,891,663	12,507,973
-	-	-	-	10,462,506
2,587,352	7,683,170	6,014,959	61,583,645	-
248,356	368,420	133,482	12,347,014	3,018,502
2,835,708	8,051,590	6,148,441	73,930,659	13,481,008
354,143	(3,620,918)	155,876	(10,038,996)	(973,035)
-	3,406,474	-	3,406,474	-
17,489	24,363	103,806	2,620,319	112,408
-	-	-	(208,610)	203,099
(163,604)	-	-	(1,841,323)	-
-	-	-	(49,500)	-
(375)	-	-	(1,275)	-
-	-	-	404,102	-
(146,490)	3,430,837	103,806	4,330,187	315,507
207,653	(190,081)	259,682	(5,708,809)	(657,528)
-	-	-	22,623,016	-
-	-	-	7,980,244	-
80,000	6,000	-	1,709,519	187,310
(14,639)	(97,819)	(78,402)	(2,161,595)	(28,510)
65,361	(91,819)	(78,402)	30,151,184	158,800
273,014	(281,900)	181,280	24,442,375	(498,728)
4,686,316	6,835,148	8,379,602	623,511,633	15,862,031
\$ 4,959,330	\$ 6,553,248	\$ 8,560,882	\$ 647,954,008	\$ 15,363,303

TOWN OF CASTLE ROCK, COLORADO

RECONCILIATION OF THE ENTERPRISE FUNDS STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET POSITION TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

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Change in net position total enterprise funds	\$	24,442,375
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Amounts reported for business-type activities in the statement of activities are different because:

Internal balances between the governmental activities and the business-type activities result from the allocation of the internal service funds profit / loss that are attributable to the business-type activities: water, water resources, stormwater, wastewater, golf, community center and development services.		<u>(309,289)</u>
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Changes in net position of business-type activities	\$	<u>24,133,086</u>
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The notes to the financial statements are an integral part of the financial statements.



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TOWN OF CASTLE ROCK, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Water	Water Resources	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 18,451,444	\$ 16,802,420	\$ 4,051,221
Receipts from interfund services provided	-	-	-
Payments to suppliers	(8,345,980)	(5,398,543)	(761,061)
Payments to employees	(3,712,042)	(2,064,204)	(1,716,804)
Net cash provided by (used in) operating activities	6,393,422	9,339,673	1,573,356
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash transfers in	10,125	1,613,394	-
Cash transfers out	(1,794,388)	(64,042)	(72,156)
Interfund loans	675,000	44,312	-
Receipts from taxes	-	-	-
Net cash provided by (used in) non-capital financing activities	(1,109,263)	1,593,664	(72,156)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
System development fees	2,629,558	16,079,149	1,111,668
Interfund loans	-	-	(675,000)
Acquisition of capital assets	(6,587,838)	(30,658,719)	(1,910,971)
Principal paid on bonds and cops payable	(1,404,200)	(1,825,000)	-
Interest paid on bonds and cops payable	(347,651)	(1,876,976)	-
Principal paid on capital leases	-	-	-
Interest paid on capital leases	-	-	-
Bond issue costs and agency fees	(552)	(300)	(49,500)
Issuance of capital debt	-	-	4,500,000
Proceeds from sale of capital assets	869,365	-	-
Net cash provided by (used in) capital and related financing activities	(4,841,318)	(18,281,846)	2,976,197
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	391,982	1,179,833	149,101
Decrease (increase) in equity in pooled investments	(1,219,436)	(2,955,629)	(50,818)
Net cash provided by investing activities	(827,454)	(1,775,796)	98,283
Net increase (decrease) in cash and cash equivalents	(384,613)	(9,124,305)	4,575,680
Cash and cash equivalents - January 1	11,206,517	21,582,110	5,491,265
Cash and cash equivalents - December 31	<u>\$ 10,821,904</u>	<u>\$ 12,457,805</u>	<u>\$ 10,066,945</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION			
Unrestricted cash and cash equivalents	\$ 10,821,904	\$ 12,457,805	\$ 5,566,945
Restricted cash and cash equivalents	-	-	4,500,000
Total cash and cash equivalents	<u>\$ 10,821,904</u>	<u>\$ 12,457,805</u>	<u>\$ 10,066,945</u>

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



					Governmental Activities
Wastewater	Golf	Community Center	Development Services	Total Enterprise Funds	Internal Service Funds
\$ 11,305,416	\$ 3,209,279	\$ 4,456,093	\$ 6,302,122	\$ 64,577,995	\$ 1,830,784
-	-	-	-	-	10,754,839
(23,333,067)	(1,175,620)	(3,201,604)	(963,372)	(43,179,246)	(9,615,848)
(1,472,547)	(1,403,293)	(4,503,688)	(4,906,936)	(19,779,514)	(815,460)
(13,500,198)	630,366	(3,249,199)	431,814	1,619,235	2,154,315
-	80,000	6,000	-	1,709,519	187,310
(40,149)	(14,639)	(97,819)	(78,402)	(2,161,595)	(28,510)
-	-	400,000	-	1,119,312	-
-	-	3,406,474	-	3,406,474	-
(40,149)	65,361	3,714,655	(78,402)	4,073,710	158,800
2,802,641	-	-	-	22,623,016	-
-	-	-	-	(675,000)	-
(602,429)	(459,326)	(618,622)	(10,835)	(40,848,741)	(1,532,485)
(280,800)	(385,000)	-	-	(3,895,000)	-
(54,475)	(109,444)	-	-	(2,388,546)	-
-	(167,239)	-	-	(167,239)	-
-	(14,428)	-	-	(14,428)	-
(48)	(375)	-	-	(50,775)	-
-	424,228	-	-	4,924,228	-
-	-	-	-	869,365	212,897
1,864,889	(711,584)	(618,622)	(10,835)	(19,623,120)	(1,319,588)
72,037	15,151	17,003	69,465	1,894,572	89,485
5,955,107	(4,421)	(13,915)	(64,921)	1,645,967	(43,335)
6,027,144	10,730	3,088	4,544	3,540,539	46,150
(5,648,314)	(5,127)	(150,078)	347,121	(10,389,636)	1,039,677
12,279,454	1,398,519	1,230,046	517,406	53,705,317	3,486,757
\$ 6,631,140	\$ 1,393,392	\$ 1,079,968	\$ 864,527	\$ 43,315,681	\$ 4,526,434
\$ 6,631,140	\$ 884,011	\$ 1,079,968	\$ 864,527	\$ 38,306,300	\$ 4,526,434
-	509,381	-	-	5,009,381	-
\$ 6,631,140	\$ 1,393,392	\$ 1,079,968	\$ 864,527	\$ 43,315,681	\$ 4,526,434

TOWN OF CASTLE ROCK, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Water	Water Resources	Stormwater
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 284,701	\$ 7,986,250	\$ (340,704)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	6,001,534	1,166,762	1,901,184
Changes in operating assets and liabilities			
(Increase) decrease in assets			
Accounts receivable	181,599	336,513	4,194
Prepaid items	(376,292)	(225,034)	648
Inventory	-	-	-
Equity in joint venture	-	-	-
Increase (decrease) in liabilities			
Accounts payable	110,661	58,931	(9,464)
Accrued leave	158,275	16,251	19,813
Unearned revenue	(19,806)	-	(2,315)
Deposits	52,750	-	-
Total adjustments	6,108,721	1,353,423	1,914,060
Net cash provided by (used in) operating activities	\$ 6,393,422	\$ 9,339,673	\$ 1,573,356
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributed infrastructure	\$ 3,265,993	\$ -	\$ 2,680,193
Equity in joint venture	-	-	-
Payables incurred for purchase of capital assets	(1,915,775)	(5,436,501)	(203,191)
Amortization of premium, discount and deferred loss on refunding	(56,300)	(533,353)	-
Increase (decrease) in fair value of investments	113,965	501,283	30,055
Noncash investing, capital and financing activities	\$ 1,407,883	\$ (5,468,571)	\$ 2,507,057

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

Wastewater	Golf	Community Center	Development Services	Total Enterprise Funds	Governmental Activities
					Internal Service Funds
<u>\$ (14,858,344)</u>	<u>\$ 354,143</u>	<u>\$ (3,620,918)</u>	<u>\$ 155,876</u>	<u>\$ (10,038,996)</u>	<u>\$ (973,035)</u>
2,527,276	248,356	368,420	133,482	12,347,014	3,018,502
120,253	8,656	19,249	(2,195)	668,269	(16,592)
(734)	(18,768)	(2,176)	(3,597)	(625,953)	8,083
-	(8,597)	-	-	(8,597)	-
(1,433,199)	-	-	-	(1,433,199)	-
159,421	9,426	(68,644)	60,536	320,868	6,868
14,639	26,378	48,698	87,712	371,766	16,247
(29,510)	10,579	1,972	-	(39,080)	94,242
-	193	4,200	-	57,143	-
<u>1,358,146</u>	<u>276,223</u>	<u>371,719</u>	<u>275,938</u>	<u>11,658,231</u>	<u>3,127,350</u>
<u>\$ (13,500,198)</u>	<u>\$ 630,366</u>	<u>\$ (3,249,199)</u>	<u>\$ 431,814</u>	<u>\$ 1,619,235</u>	<u>\$ 2,154,315</u>
\$ 2,034,058	\$ -	\$ -	\$ -	\$ 7,980,244	\$ -
404,102	-	-	-	404,102	-
(44,215)	-	-	-	(7,599,681)	(169,786)
(5,044)	38,267	-	-	(556,430)	-
36,405	2,338	7,360	34,341	725,747	22,923
<u>\$ 2,425,306</u>	<u>\$ 40,605</u>	<u>\$ 7,360</u>	<u>\$ 34,341</u>	<u>\$ 953,982</u>	<u>\$ (146,863)</u>



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*Notes to the Basic Financial Statements*

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### **SUMMARY OF NOTES TO THE BASIC FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies
  - A. Financial Reporting Entity
  - B. Financial Statement Presentation
  - C. Measurement Focus and Basis of Accounting
  - D. Cash and Investments
  - E. Restricted Assets
  - F. Receivables
  - G. Inventories
  - H. Prepaid Items
  - I. Capital Assets
  - J. Property Taxes
  - K. Accounts Payable
  - L. Unearned Revenues (Liabilities)
  - M. Accrued Leave
  - N. Non-current Liabilities
  - O. Fund Balances and Net Position
  - P. Deferred Outflows / Inflows of Resources
  - Q. Use of Estimates
  - R. Implementation of New GASB Standard
2. Reconciliation of Town-wide and Fund Financial Statements
3. Deposits and Investments
4. Restricted Assets
5. Long-Term Receivables
6. Capital Assets
7. Investment in Joint Venture
8. Short-Term Debt
9. Long-Term Liabilities
10. Fund Balance
11. Pension Plans
12. Deferred Compensation Plans
13. Risk Management
14. Commitments and Contingencies
15. Interfund Transactions
16. Deficit Fund Balance
17. Tax Abatements
18. Discretely-Presented Component Unit
19. Related Party Transactions
20. Subsequent Events

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Castle Rock, Colorado (the Town) was incorporated in 1881 and was voted by the citizens as a home-rule municipality in 1987 under the provisions of Article XX of the Constitution of the State of Colorado. The Town operates under a Council-Manager form of government.

These financial statements are prepared in accordance with accounting principles applicable to governments generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the Town's significant accounting policies and descriptions of the financial statements are described below:

#### A. Financial Reporting Entity

The financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. The objective of the financial reporting entity is to provide users of the financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Town's financial statements to be misleading or incomplete. These financial statements include all funds and activities of the Town. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the town-wide financial statements to emphasize that it is legally separate from the government.

##### Blended component units

The Castle Rock Urban Renewal Authority (CRURA) serves all the citizens of the Town and is governed by a board comprised of the Town's elected Council. The Town has agreed to provide financial support to the CRURA. The CRURA is reported as a special revenue fund and does not issue separate financial statements.

The Festival Park Commons General Improvement District (GID) was created under Colorado state statutes. The GID has the power to develop and maintain public improvements and to finance such improvements by levying a general property tax upon the benefiting property. The GID is a legally separate entity from the Town and is governed by a board comprised of the Town's elected Council. The GID is reported as a special revenue fund, however, there was no activity in the GID for the year ended December 31, 2019.

##### Discretely presented component units

The Castle Rock Downtown Development Authority (CRDDA) was formed in 2008, under State of Colorado statutes as a quasi-municipal corporation, by the voters of downtown Castle Rock, Colorado to finance, construct and, on occasion, operate various public improvements including streetscape projects, sidewalks, street lighting, street furniture, public parks and places. The CRDDA is governed by a seven-member elected Board of Directors pursuant to the provisions of the Colorado Special District Act and consists of property owners, business owners and other representatives of downtown Castle Rock. One of these individuals serves as a liaison to the Castle Rock Town Council and is a member of Council. The operations of the DDA are guided by the 2008 Plan of Development adopted by the board of directors of the CRDDA. The Town approves and certifies the mill levy collected by the CRDDA. The Town has issued debt on behalf of CRDDA.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### A. Financial Reporting Entity (continued)

Separately issued financial reports are available for the CRDDA. The report may be obtained by contacting:

Town of Castle Rock  
Finance Department  
100 North Wilcox Street  
Castle Rock, CO 80104

#### B. Financial Statement Presentation

The basic financial statements consist of the Town-wide financial statements, the fund financial statements and the notes to the basic financial statements.

##### Town-wide financial statements

The Town-wide financial statements ("statement of net position" and "statement of activities") report information on all activities of the primary government and component units.

The activities of the primary government are aggregated into two activity types: governmental and business-type.

**Governmental activities** reflect most of the Town's services including: general government, public safety (police and fire), public works (transportation and streets) and culture and recreation (parks and open space), which are normally supported by taxes and intergovernmental revenues.

**Business-type activities** include water, water resources, stormwater and wastewater utilities, a golf course, community centers (recreation), and development services. These activities rely to a significant extent on fees and charges for services.

The *primary government* is reported separately from a legally separate *component unit* for which the primary government is financially accountable.

The *statement of net position* reports what the Town owns (assets and deferred outflows of resources) and what the Town owes (liabilities and deferred inflows of resources) with the difference being reported as net position.

The *statement of activities* demonstrates the degree to which direct expenses of a function were funded by program revenues. *Direct expenses* 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 revenues not specifically identifiable with a given program are reported as *general revenues*.

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



# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **B. Financial Statement Presentation (continued)**

##### Fund Financial Statements

The Town uses fund accounting to control and manage money intended for a particular purpose or to demonstrate compliance with finance-related legal requirements.

Fund statements are grouped into two fund categories: governmental and proprietary. The fund financial statements report Town operations in more detail than the Town-wide financial statements by providing information about financially significant funds called "major funds". Individual financial information is reported for each major fund with the remaining "non-major" funds, including its blended component units, being aggregated into a single "other" column.

#### **Governmental Funds**

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 required to be accounted for in another fund. The *Economic Development Fund* is a sub-fund of the General Fund to facilitate expansion of the tax base, through primary job creation and improved local economy.

The *Transportation Fund* is a special revenue fund that accounts for the accumulation of financial resources and expenditures for the construction, acquisition, installation, repair and maintenance of streets, bridges, sidewalks and public transit and the acquisition of easements and right-of-ways, development of transportation facilities and for the operations of the department responsible for the construction and maintenance of such facilities. The following revenue sources are committed to the furtherance of transportation projects within the Town of Castle Rock, the maintenance of existing roads and infrastructure and the overall operations of the public works department:

- Tax revenue inclusive of but not limited to the following:
  - Sales tax
  - Douglas County Shareback
  - Building Use Tax
- Motor Vehicle Tax Intergovernmental revenue inclusive of but not limited to the following:
  - Highway User Revenue
  - Road & Bridge Revenue
- Charge for services
- Investment Earnings
- Contributions and Donations
- Any other revenue inclusive of but not limited to the following:
  - Reimbursements
  - Refunds

The *Transportation Capital Fund* is a capital projects fund that accounts for the planning and construction of growth related capital improvement projects.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### B. Financial Statement Presentation (continued)

##### Fund Financial Statements (continued)

#### **Proprietary Funds**

The Town reports the following major proprietary funds:

The *Water Fund* is used to account for the Town's activities related to water well development, water extraction, treatment, and transportation systems, and for the repair and maintenance of such facilities.

The *Water Resources Fund* is used to account for the Town's activities related to the analysis and measurement of the long-term water needs of the Town including conservation promotion and the maintenance and development of groundwater and renewable water sources.

The *Stormwater Fund* is used to account for long-term stormwater planning, implementation of capital improvement projects, and administration of the Town's floodplain program.

The *Wastewater Fund* is used to account for the activities related to wastewater collection and treatment.

The *Golf Course Fund* is used to account for the activities related to the operations and maintenance of Red Hawk Ridge Golf Course.

The *Community Center Fund* accounts for the operations of the Town's recreation center and the activities that are provided at that facility and the Miller Activity Complex.

The *Development Services Fund* accounts for revenues and expenses related to development services within the Town.

*Internal Service Funds* are used to finance and account for goods and services provided to other funds, on a cost reimbursement basis. These funds are used to account for the operations of the Employee Benefits and Fleet Services Funds.

The proprietary fund "statement of revenues, expenses and changes in net position" classifies revenues and expenses directly related to the service provided as "operating". Operating revenues are primarily charges for services (exchange-like transactions) for utility services (water, water resources, stormwater, and wastewater), recreation services (golf, and community center) and for development services. Golf operating revenues include sales of merchandise. Operating revenues for internal service funds are charges for services provided to other funds and departments. All other revenues in the proprietary funds are reported as non-operating revenues. Operating expenses for proprietary funds include cost of sales and services, administrative expenses and depreciation of capital assets. All other expenses are reported as non-operating.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the year. The Town reports deferred inflows when the potential revenue does not meet the measurable and available criteria for recognition in the current period. Expenditures are recorded when the liability is incurred. However, debt service and compensated absences are recorded when the payment is due.

Sales taxes, use taxes, motor vehicle use, property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual. These are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

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

#### D. Cash and Investments

To facilitate the recording of cash transactions and maximize earnings on investments, the Town pools cash and investments of all funds, except for unspent bond proceeds. The Town maintains accountability for each fund's equity in pooled cash and investments. Unspent bond proceeds are separately accounted for in accordance with the bond requirements. All unrestricted funds of the Town are eligible for investment. Investment earnings related to combined funds are distributed to each fund on a pro rata basis. For financial statement presentation, each fund's share of the cash and investment pool is reported as "cash and cash equivalents" and "investments" of that fund at year-end.

The Town defines cash equivalents as highly liquid investments with a maturity of three months or less at the date of purchase.

Investments are reported at fair value except for local government investment pools which are reported at the net asset value per share which is determined based upon how the fund is valued (i.e. fair value or amortized cost). Investment income includes increases and decreases in the fair value of investments. Changes in fair value during the year do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

#### E. Restricted Assets

Certain resources, such as those set aside for the repayment of debt, are classified as restricted assets on the balance sheet because their use is limited by bond covenants or other agreements. These assets are generally not available to pay current obligations.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### F. Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable. The allowance of \$198,915 is reported in the General Fund.

#### G. Inventories

Inventory is maintained in the Golf Fund for resale merchandise. Inventory is valued at cost, which approximates market, using the first in / first-out (FIFO) method. The cost of this inventory is recorded as an expense when consumed rather than when purchased.

#### H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods; the associated expense is recognized in the period benefitted by the prepayment in the Town-wide and proprietary funds and the associated expenditures are recognized when consumed in the governmental funds.

#### I. Capital Assets

All capital assets, including infrastructure capital assets such as streets and sidewalks are reported in the applicable governmental or business-type activities columns in the Town-wide financial statements and in the proprietary funds financial statements. Purchases and construction of capital assets are reported at cost. Donated assets are valued at the acquisition value at the date of donation. The Town identifies all reportable intangible assets and values of these assets based on purchase price or acquisition value if donated. Intangible assets include, but are not limited to, easements, right-of-ways, internally developed software, water rights, and trademarks.

The Town has established a capitalization threshold of individual assets costing \$5,000 or more with a useful life greater than one year.

Costs incurred for the purchase or construction of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds. Infrastructure assets (e.g., streets, sidewalks, and trails) have been capitalized for all infrastructure acquired since 1980. Costs incurred for the purchase or construction of capital assets for business-type activities are reported as assets in the proprietary funds.

Depreciation of exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the Town-wide and proprietary fund financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Machinery and equipment	5 - 10 years
Buildings and improvements	20 - 40 years
Infrastructure	15 - 50 years
Water Rights (Non-tributary)	100 years

Assets recorded under capital lease agreements are amortized over either the term of the lease or the estimated useful life of the assets, whichever period is shorter. Amortization expense for capital leases is included in the depreciation line item on the financial statements.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### J. Property Taxes

Property taxes attached as a lien on property on January 1, are certified to the county by December 15<sup>th</sup> and are levied the following January 1<sup>st</sup>. Property taxes are payable in full by April 30, or in two equal installments due February 29<sup>th</sup> and June 15<sup>th</sup>. Taxes collected by the county are remitted to the Town by the 10<sup>th</sup> of the following month. Property taxes are reported as receivables and deferred inflows when lienied and as revenue when collected in the following year.

#### K. Accounts Payable

Amounts reported as accounts payable on the statement of net position include:

Disaggregation of Account Payable

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Vendors	\$ 7,885,406	\$ 8,148,443
Salaries and benefits	1,754,633	781,799
Total	<u>\$ 9,640,039</u>	<u>\$ 8,930,242</u>

#### L. Unearned Revenue (Liabilities)

Unearned revenues reflect amounts that have been received before the town has a legal claim to the funds. In subsequent periods, when revenue recognition criteria are met, or when the Town has a legal claim to the resources, the unearned revenue is removed from the statements of net position or governmental funds balance sheet and revenue is recognized.

#### M. Accrued Leave

The Town allows employees to accumulate unused vacation and sick benefits up to certain maximum hours. Accrued compensated absences are recognized as expenses when earned by the employee for the Town-wide statements and the proprietary fund statements. Compensated absences are recognized as expenditures when paid in the governmental fund statements.

#### N. Non-current Liabilities

Non-current liabilities include: bonds, notes, certificates of participation, capital leases, earned but not used compensated absences, and net pension liabilities. The accounting and reporting treatment for a fund's non-current liabilities is determined by its measurement focus.

##### *Governmental Funds*

For governmental funds, the liability is recorded when payment is due or the resources have been accumulated for payment early in the following year. Proceeds from the issuance of debt are reported in the governmental funds as "other financing sources". Payments of principal on debt are shown as expenditures. In the governmental fund financial statements, bond premiums and discounts, and bond issuance costs, are reported as expenditures of the current period.

##### *Town-wide (governmental and business-type activities) and Proprietary Funds*

The Town-wide and proprietary fund financial statements use the economic resources measurement focus. Proprietary funds report long-term liabilities in the fund. Long-term liabilities expected to be repaid by governmental funds are reported in the governmental activities column of the Town-wide statements. Under the economic resources measurement focus, debt issuances are reported as increases in non-current liabilities. Principal payments are shown as decreases in non-current liabilities. The outstanding amounts of non-current liabilities are reported on the statement of net position. Amounts due within the next twelve months are reported as "due within one year" with the remaining amount being reported as "due within more than one year". Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **O. Fund Balance and Net Position**

##### *Fund Balances*

Fund balances reflect assets minus liabilities and deferred inflows of resources using the current financial resources measurement focus. Fund balances are only reported in the governmental fund statements. The Town follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The following classifications will describe the strength of the fund's spending constraints:

Non-spendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in a spendable form or is legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance constrained for a specific purpose by external parties, constitutional provisions, or enabling legislation. Effectively, restrictions on fund balance may only be changed or lifted with the consent of resource providers.

Committed Fund Balance – The portion of fund balance that can only be used for specified purposes according to limitations imposed by Town Council prior to the end of the current fiscal year. The constraint may be removed or changed only by resolution of Town Council.

Assigned Fund balance – The portion of fund balance set aside for planned or intended actions. The intended use may be expressed by Town Council or other individuals authorized to assign funds to be used for a specific purpose. Through a resolution, Town Council assigned authority to the Town Manager. In governmental funds other than the general fund, assigned fund balance represents the amount that is not non-spendable, restricted, or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned Fund Balance – This is the residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund. In 2016, Town Council approved a reserves policy that required funds to be reserved with the intent of stabilizing revenues which are highly volatile in the event that regular planned revenues do not materialize to the degree anticipated for regular operational needs. Therefore, the Town maintains a cash reserve equal to at least three months of operating expenses in the General Fund to provide for this assurance.

In the Town's Fund Balance policy, it is not specifically identified which order the spending should occur. Therefore, the Town's practice is that the order of spending defaults to the following order; restricted, committed, assigned, and unassigned fund balance.

##### *Net Position*

In the government-wide and proprietary fund financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources using the economic resources measurement focus and the accrual basis of accounting. Net Position is reported in three classifications. "Net investment in capital assets" which reflects capital assets (net of accumulated depreciation) reduced by the outstanding amount of the debt that was used to acquire or construct the capital assets. Restricted net position report amounts legally segregated for a specific use. The remaining net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as needed.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **P. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports two items that qualify for reporting in this category - pension related amounts and deferred losses on debt refundings. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports three items that qualify for reporting in this category – pension related amounts, IREA capital credit and property taxes that are deferred to future periods. The IREA capital credit is utilized when the Town has a qualifying future project that requires the removal, relocation or installation of IREA infrastructure.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which revenues are not available are reported as a deferred inflow of resources. Unavailable fund resources are recognized in the Town-wide statement of activities.

#### **Q. Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditure and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The Town invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

#### **R. Implementation of New GASB Standards**

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, (GASB 95). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The Town has implemented this Statement for the year ended December 31, 2019. Implementation of this standard delays the following standards to 2020:

GASB 83, Certain Asset Retirement Obligations:

GASB 84, Fiduciary Activities

GASB 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 2. RECONCILIATION OF TOWN-WIDE AND FUND FINANCIAL STATEMENTS

The reconciliation of total governmental funds on the governmental funds balance sheet to the governmental activities on the statement of net position includes an amount for long-term liabilities including bonds payable and accrued leave that are not due and payable in the current period and therefore are not reported in the governmental funds.

#### A. Explanation of Certain Differences between the Government Fund Balance Sheet and the Town-wide Statement of Net Position (continued)

The details of the \$39,495,905 difference relating to governmental activities long-term liabilities are as follows:

2013 Sales and use tax bonds	\$ 18,525,000
2016 Sales and use tax bonds	6,710,000
2013 Certificates of participation	7,130,000
Accrued leave, excluding internal service funds of \$63,919	4,207,205
Bond premiums and discounts	2,803,047
Accrued interest payable	<u>120,653</u>
Net adjustments to governmental funds	
fund balances to arrive at net position for	
governmental activities	<u>\$ 39,495,905</u>



# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 2. RECONCILIATION OF TOWN-WIDE AND FUND FINANCIAL STATEMENTS (continued)

#### **B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Town-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances, total governmental funds and changes in net position of governmental activities as reported in the Town-wide statement of activities. One element of that reconciliation states "repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items."

The details of the \$3,299,975 difference are as follows:

Principal payments	
2013 Sales and use tax bonds	\$ 500,000
2016 Sales and use tax bonds	595,000
2013 Certificates of participation	375,000
Notes payable	2,250,000
Amortization of bond premium	235,265
Amortization of refunding loss	(53,047)
Accrued interest on debt	8,125
Net increase in accrued leave	<u>(610,368)</u>
 Net adjustments to governmental fund revenues and expenditures to arrive at the change in net position for governmental activities.	         <u>\$ 3,299,975</u>

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 3. DEPOSITS AND INVESTMENTS

#### Summary Of Deposits By Fund Type And Fund

Fund	Petty Cash	Deposits	Investments	Equity in Town Pool	Totals
<b>Governmental Activities</b>					
<b>General Fund</b>					
Cash and cash equivalents	\$ 39,265	\$ 924,880	\$ 8,119,347	\$ 1,599,722	\$ 10,683,214
Investments	-	-	15,500,114	-	15,500,114
Restricted cash and cash equivalents	-	-	900,000	-	900,000
<b>Transportation</b>					
Cash and cash equivalents	-	303,502	6,696,287	609,431	7,609,220
Investments	-	-	4,038,600	-	4,038,600
<b>Transportation Capital</b>					
Cash and cash equivalents	-	-	6,822,154	1,697,126	8,519,280
Investments	-	-	6,423,487	-	6,423,487
<b>Other Governmental Funds</b>					
Cash and cash equivalents	300	1,778,032	862,938	2,952,125	5,593,395
Investments	-	-	4,682,822	-	4,682,822
<b>Internal Service Funds</b>					
Cash and cash equivalents	-	-	2,239,537	2,286,897	4,526,434
Investments	-	-	2,195,604	-	2,195,604
Total governmental activities	39,565	3,006,414	58,480,890	9,145,301	70,672,170
<b>Business-type Activities</b>					
<b>Water</b>					
Cash and cash equivalents	620	-	8,296,168	2,525,116	10,821,904
Investments	-	-	11,293,763	-	11,293,763
<b>Water Resources</b>					
Cash and cash equivalents	-	-	7,564,973	4,892,832	12,457,805
Investments	-	-	48,769,453	-	48,769,453
<b>Stormwater</b>					
Cash and cash equivalents	-	-	4,210,237	1,356,708	5,566,945
Investments	-	-	2,878,710	-	2,878,710
Restricted cash and cash equivalents	-	-	-	4,500,000	4,500,000
<b>Wastewater</b>					
Cash and cash equivalents	-	-	2,351,538	4,279,602	6,631,140
Investments	-	-	1,218,648	-	1,218,648
<b>Golf</b>					
Cash and cash equivalents	2,500	4,354	365,076	512,081	884,011
Investments	-	-	223,957	-	223,957
Restricted cash and cash equivalents	-	500,815	8,566	-	509,381
<b>Community Center</b>					
Cash and cash equivalents	2,720	65,142	93,496	918,610	1,079,968
Investments	-	-	704,987	-	704,987
<b>Development Services</b>					
Cash and cash equivalents	-	-	211,120	653,407	864,527
Investments	-	-	3,289,255	-	3,289,255
Total business-type activities	5,840	570,311	91,479,947	19,638,356	111,694,454
Total All Funds	\$ 45,405	\$ 3,576,725	\$ 149,960,837	\$ 28,783,657	\$ 182,366,624
Deposits in Town Pool	-	28,783,657	-	(28,783,657)	-
Totals	\$ 45,405	\$ 32,360,382	\$ 149,960,837	\$ -	\$ 182,366,624

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 3. DEPOSITS AND INVESTMENTS (continued)

#### A. Inherent Risks

The Town's deposits and investments, (like those of other governments), are subject to various risks:

##### 1) Custodial Credit Risk

The custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, the Town would not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that in the event of the failure of a counterparty to the transaction, the Town would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

##### 2) Concentration of Credit Risk

State statutes do not limit the amount the Town may invest in one issuer. At December 31, 2019, the Town's investments in any one issuer greater than five percent of the Town's total investments include the following:

Issuer	Percent of total investments
U.S. Treasury	22.44%
Corporate Bonds	12.15%
Federal Home Loan Banks (FHLB)	11.38%
Federal Farm Credit Banks (FFCB)	11.21%
Federal National Mortgage (FNMA)	5.65%

#### B. Town Deposit and Investment Policies

The risk exposure is essentially the same for both governmental and business-type activities.

##### Deposits

Deposits are exposed to custodial credit risks if they are not covered by depository insurance and the deposits are uncollateralized. The Town's deposit and investment policy allows Town funds to be deposited in any state or national bank located in Colorado, which is a member of the Federal Deposit Insurance Corporation (FDIC) and which complies with the Colorado Public Deposit Protection Act (PDPA). The PDPA requires that all local governments deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured public deposits. The PDPA has the effect of perfecting the security interest in the name of the local government agency. At December 31, 2019, the Town's cash deposits had a carrying value of \$32,360,382 and a corresponding bank balance of \$29,529,853 of which \$1,001,500 was FDIC insured and \$28,528,353 was collateralized by securities held by the pledging financial institution's trust department or agent in the Town's name.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 3. DEPOSITS AND INVESTMENTS (continued)

#### B. Town Deposit and Investment Policies (continued)

##### **Investments**

To limit its exposure to the various investment risks, the Town, through its investment policy, adopted the Colorado Revised Statutes dealing with deposits and investments to restrict investments of Town funds to the securities and transactions meeting certain established criteria. The ratings shown in the following list are by Standard and Poor's (S&P). An investment may also receive an equivalent rating by another rating agency such as Moody's or Fitch. Maturity time limitations are measured from the date of purchase. State statutes do not address custodial risk.

The Town's Investment Policy allows the following investments:

- 1) United States Treasury obligations, federal agency securities and federal instrumentality securities, S&P or Moody rated AAA with maturities not exceeding five years.
- 2) Prime commercial paper issued on U.S. companies and denominated in U.S. currency, S&P rated A-1, with maturities not exceeding 270 days.
- 3) Eligible bankers' acceptances, with maturities not exceeding 180 days, where banks meet certain capital and rating requirements.
- 4) Repurchase agreements and flexible repurchase agreements meeting certain criteria.
- 5) Local government investment pools, with a constant net asset value of \$1 per share, S&P rated AAAm, and which invests under the Colorado Revised Statutes dealing with local government deposits and is overseen by the Colorado Securities Commissioner.
- 6) Time certificates of deposit or savings accounts, with maturities not exceeding one year, meeting both the FDIC and PDPA requirements.
- 7) Money market funds, which are registered, with a constant weighted average maturity and S&P rating of AAAm. No more than 25% of the Town's aggregated portfolio may be invested in this type of investment.
- 8) Corporate bonds issued by a corporation or bank with a final maturity not exceeding three years from the date of purchase, rated at least AA- by S&P.
- 9) Municipal bonds with a final maturity not exceeding five years from the date of purchase and rated at least A by S&P for general obligation or revenue obligation debt of this state or any political subdivision, institution, department, agency, instrumentality, or authority of this state. Such obligations of any other governmental entity shall be rated at least AA by S&P.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 3. DEPOSITS AND INVESTMENTS (continued)

#### B. Town Deposit and Investment Policies (continued)

The Town's investments on December 31, 2019 were as follows:

Investment Type	Standard & Poors Rating	INVESTMENT MATURITIES (In Years)			Net Asset per Share
		Less Than 1	1-5	Fair Value	
U.S. Treasuries		\$ 9,639,151	\$ 24,016,415	\$ 33,655,566	\$ -
U.S. Agencies	AA+	15,266,038	28,699,327	43,965,365	-
Municipal Bonds	AA- - AA	-	5,374,429	5,374,429	-
Corporate Bonds	AA- - AAA	4,019,010	14,205,030	18,224,040	-
Local Government Investment Pools	AAAm	48,741,437	-	-	48,741,437
<b>Total</b>		<b>\$ 77,665,636</b>	<b>\$ 72,295,201</b>	<b>\$ 101,219,400</b>	<b>\$ 48,741,437</b>

*Local Government Investment Pool* – At December 31, 2019 the Town had \$48,741,437 invested in the Colorado Surplus Asset Fund Trust (CSAFE) cash fund. This is an investment vehicle established by State Statute for local government entities in Colorado to pool surplus funds. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The pool does not have any limitations or restrictions on participant withdrawals. The State Securities Commissioner administers and enforces the requirements of creating and operating the pool. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. The pool is rated AAm by S&P. Investments of the pool 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. Substantially all securities are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. Information regarding the CSAF's financial statements is available at its website [www.csafe.org](http://www.csafe.org).

#### Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using matrix pricing techniques; Level 3 inputs are significant unobservable inputs. The Town has the following recurring fair value measurements as of December 31, 2019:

Investment by Fair Value Level	Fair Value Measurements Using			
	December 31, 2019	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 33,655,566	\$ -	\$ 33,655,566	\$ -
U.S. Agencies	43,965,365	-	43,965,365	-
Municipal Bonds	5,374,429	-	5,374,429	-
Corporate Bonds	18,224,040	-	18,224,040	-
<b>Total investments by fair value level</b>	<b>101,219,400</b>	<b>\$ -</b>	<b>\$101,219,400</b>	<b>\$ -</b>
Local Government Investment Pools (measured at net asset per share)	48,741,437			
<b>Total investments</b>	<b>\$ 149,960,837</b>			

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 4. RESTRICTED ASSETS

#### Restricted Cash and Cash Equivalents

<u>Fund</u>	<u>Purpose</u>	<u>Balance December 31, 2019</u>
<b>Governmental activities</b>		
General - Economic Development	Agreement	900,000
	Total Governmental activities	<u>\$ 900,000</u>
<b>Business-type activities</b>		
Stormwater	Unspent note proceeds	4,500,000
Golf	2015 Revenue Refunding and Improvement Bonds Debt Service Reserve	500,815
Golf	Unspent bond proceeds	8,566
	Total Business-type Activities	<u>\$ 5,009,381</u>

#### **Economic Development Fund**

The restricted cash in the Economic Development Fund is to comply with the September 3, 2019 Redevelopment and Finance Agreement between the Town of Castle Rock, Castle Rock Downtown Development Authority, Town of Castle Rock Festival Park Commons General Improvement District and CD-Festival Commons (CDFC), LLC. The agreement identifies the Town's obligation to set aside a total of \$900,000 to be made available to pay to CDFC the actual cost incurred by CDFC for the design and construction of the Plaza. The balance at December 31, 2019 is \$900,000 to be used to pay amounts in Accounts Payable at year end.

#### **Stormwater Fund**

The restricted cash in the Stormwater Fund relates to unspent note proceeds of \$4,500,000 received on December 19, 2019.

#### **Golf Fund**

In 2015, the Golf Fund refunded its outstanding 2005 Golf Course Enterprise Revenue Refunding Bonds. The 2015 Golf Course Enterprise Revenue Refunding and Improvement Bonds require that the Golf Fund maintain a debt service reserve of \$500,815. It is anticipated that this restricted cash will be available to make the final debt service payment due in December 2027. Unspent bond proceeds of \$8,566 are separately accounted for in accordance with bond requirements.

#### **Conservation Trust Fund**

The Town has cash in escrow at Douglas County for the Open Space Shareback totaling \$3,135,480.

## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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#### **5. LONG TERM RECEIVABLE**

The Town reports a long-term receivable in the governmental activities on the Town-wide Statement of Net Position. The receivable relates to an agreement with Intermountain Rural Electric Association (IREA). The Town is allowed a percentage of the previous year's IREA adjusted gross revenue derived within the Town from the sale of electrical energy to customers other than the Town or any federal, state or local governmental entities after the write-off of uncollectible accounts and correction of bills theretofore rendered. IREA uses this allotment to apply against expenses incurred if the Town deems it necessary to change the location or nature of any IREA facilities to permit the Town to make street or sidewalk improvements, including but not limited to, pole relocations, pole changes and underground conversions. Unused allotments shall be carried over from year to year and will accumulate until used by the Town. The balance at December 31, 2019 is \$1,374,803.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 6. CAPITAL ASSETS

#### Changes in Capital Asset Activity for the Year Ended December 31, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities</b>					
Capital assets not being depreciated					
Land	\$ 46,839,000	\$ 13,716,627	\$ -	\$ -	\$ 60,555,627
Artwork	243,733	50,000	-	-	293,733
Construction in progress	12,108,173	21,260,815	-	(14,616,831)	18,752,157
Easements	3,242,596	75,952	-	-	3,318,548
Right of way	5,548,566	3,950,998	-	-	9,499,564
Total capital assets, not being depreciated	67,982,068	39,054,392	-	(14,616,831)	92,419,629
Capital assets being depreciated					
Buildings and improvements	59,597,217	-	(130,139)	5,037,821	64,504,899
Infrastructure	378,938,600	4,304,734	-	2,330,077	385,573,411
Other structures and improvements	55,307,868	596,786	-	7,206,011	63,110,665
Machinery and equipment	36,938,041	3,633,108	(1,512,152)	42,922	39,101,919
Total capital assets being depreciated	530,781,726	8,534,628	(1,642,291)	14,616,831	552,290,894
Less accumulated depreciation					
Buildings and improvements	(14,885,322)	(1,570,558)	130,139	-	(16,325,741)
Infrastructure	(154,627,476)	(11,699,527)	-	-	(166,327,003)
Other structures and improvements	(33,681,591)	(2,247,263)	-	-	(35,928,854)
Machinery and equipment	(21,981,351)	(4,107,365)	1,502,355	-	(24,586,361)
Total accumulated depreciation	(225,175,740)	(19,624,713)	1,632,494	-	(243,167,959)
Total capital assets, being depreciated, net	305,605,986	(11,090,085)	(9,797)	14,616,831	309,122,935
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 373,588,054</u>	<u>\$ 27,964,307</u>	<u>\$ (9,797)</u>	<u>\$ -</u>	<u>\$ 401,542,564</u>
Depreciation expense charged to functions					
Governmental activities					
General government		\$ 1,174,334			
Public safety		562,661			
Public works		12,456,490			
Culture and recreation		2,412,726			
Fleet internal service fund		3,018,502			
Total governmental activities depreciation expense		<u>\$ 19,624,713</u>			



# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 6. CAPITAL ASSETS (continued)

#### Changes in Capital Asset Activity for the Year Ended December 31, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>					
Capital assets not being depreciated					
Land	\$ 9,454,785	\$ -	\$ -	\$ -	\$ 9,454,785
Construction in progress	80,508,339	42,761,908	-	(5,660,414)	117,609,833
Easements	10,451,825	1,453,067	-	-	11,904,892
Right of way	244,469	-	-	-	244,469
Water rights	99,150,427	47	(870,000)	-	98,280,474
Total capital assets, not being depreciated	199,809,845	44,215,022	(870,000)	(5,660,414)	237,494,453
Capital assets being depreciated					
Buildings and improvements	40,542,684	8,034	(38,946)	473	40,512,245
Infrastructure	379,357,522	8,802,210	(465,713)	5,488,067	393,182,086
Other structures and improvements	6,071,117	368,326	(1,487)	66,915	6,504,871
Machinery and equipment	6,341,725	1,627,081	(340,123)	104,959	7,733,642
Water rights - definite life	72,634,520	-	-	-	72,634,520
Total capital assets being depreciated	504,947,568	10,805,651	(846,269)	5,660,414	520,567,364
Less accumulated depreciation					
Buildings and improvements	(9,408,465)	(1,046,318)	38,946	-	(10,415,837)
Infrastructure	(126,969,044)	(9,730,390)	259,225	-	(136,440,209)
Other structures and improvements	(2,234,112)	(431,348)	-	-	(2,665,460)
Machinery and equipment	(4,380,268)	(561,935)	340,123	-	(4,602,080)
Water rights - definite life	(19,987,695)	(577,023)	-	-	(20,564,718)
Total accumulated depreciation	(162,979,584)	(12,347,014)	638,294	-	(174,688,304)
Total capital assets, being depreciated, net	341,967,984	(1,541,363)	(207,975)	5,660,414	345,879,060
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 541,777,829</u>	<u>\$ 42,673,659</u>	<u>\$ (1,077,975)</u>	<u>\$ -</u>	<u>\$ 583,373,513</u>
Depreciation expense charged to functions					
Business-type activities					
Water		\$ 6,001,534			
Water Resources		1,166,762			
Stormwater		1,901,184			
Wastewater		2,527,276			
Golf Course		248,356			
Development Services		133,482			
Community Center		368,420			
Total business-type activities depreciation expense		<u>\$ 12,347,014</u>			

## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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#### 7. INVESTMENT IN JOINT VENTURE

In 1989, the Town, Castle Pines Metropolitan District and Castle Pines North Metropolitan District agreed to establish the Plum Creek Water Reclamation Authority (PCWRA). The Town accounts for this agreement as a joint venture, in which the Town has an equity interest. The purpose of PCWRA is to provide wastewater treatment to the members through the operation of wastewater treatment plants. As part of this agreement, the Town transferred title of the Castle Rock treatment plant to PCWRA in 1990. Additionally, the Town shared in the costs of constructing the Castle Pines plant. The PCWRA is required by state statute to have an annual audit. The audit can be obtained by writing to PCWRA, 4255 North US Highway 85, Castle Rock, CO, 80108.

At December 31, 2019, the Town had an equity interest in PCWRA of \$27,428,892. This represents an 85.83% interest in the net position of the PCWRA. During 2019, PCWRA charged the Town \$2,657,744 for the treatment of wastewater. The Town also paid to PCWRA \$2,473,736 which represents the Town's share of debt service payments for the previous treatment plant expansion and \$16,598,588 towards the current PCWRA capacity expansion project which have been recorded as O&M.

Investment balance January 1	\$ 25,591,591
Net income from joint venture	404,102
Town contributions	<u>1,433,199</u>
Investment balance December 31	<u>\$ 27,428,892</u>

#### 8. SHORT-TERM DEBT

Short-term debt activity for the year ended December 31, 2019, was as follows:

	Balance January 1, 2019	Issued	Repaid	Balance December 31, 2019
<b>Governmental activities</b>				
Downtown Development Authority				
Line of Credit	<u>\$ -</u>	<u>\$ 632,149</u>	<u>\$ (632,149)</u>	<u>\$ -</u>

The Town of Castle Rock's Downtown Development Authority (DDA) uses a line of credit to pay TIF eligible expenses approved by the Finance Director and DDA's Executive Director. The line of credit is then paid back with TIF funds as per State statute. In 2019, the Town had an approved Line of Credit for \$1,000,000 maturing on January 1, 2020 with a variable interest rate adjusted monthly to be equal to the highest prime rate of interest published in the Money Rate Table of the Western Edition of the Wall Street Journal, as that rate may change monthly on the first day of each month, plus 1% per annum. The interest rate shall not at any time be less than 5.25% or more than 7% per annum. Upon Town Council approval, this line of credit is renewed annually.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 9. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity for the year ended December 31, 2019:

	Changes In Long-Term Liabilities					
	Balance January 1	Additions	Reductions	Balance December 31	Due within One Year	Due beyond One Year
<b>Governmental activities</b>						
Bonds payable						
2013 Sales and use tax	\$ 19,025,000	\$ -	\$ (500,000)	\$ 18,525,000	\$ 510,000	\$ 18,015,000
2016 Sales and use tax	7,305,000	-	(595,000)	6,710,000	635,000	6,075,000
Bond premiums & discounts	3,038,312	-	(235,265)	2,803,047	-	2,803,047
Certificates of participation	7,505,000	-	(375,000)	7,130,000	385,000	6,745,000
Notes payable	2,250,000	-	(2,250,000)	-	-	-
Accrued leave*	3,644,510	3,321,866	(2,695,252)	4,271,124	2,627,420	1,643,704
Net pension liability	193,285	1,669,557	(193,285)	1,669,557	-	1,669,557
Total governmental activities	<u>\$ 42,961,107</u>	<u>\$ 4,991,423</u>	<u>\$ (6,843,802)</u>	<u>\$ 41,108,728</u>	<u>\$ 4,157,420</u>	<u>\$ 36,951,308</u>
<b>Business-type activities</b>						
Bonds payable						
2012 Water & Wastewater	\$ 6,145,000	\$ -	\$ (1,170,000)	\$ 4,975,000	\$ 1,180,000	\$ 3,795,000
2015 Water & Wastewater	4,575,000	-	(515,000)	4,060,000	525,000	3,535,000
2015 Golf Course	3,910,000	-	(385,000)	3,525,000	400,000	3,125,000
2016 Water & Wastewater	44,260,000	-	(1,825,000)	42,435,000	1,925,000	40,510,000
Bond premiums & discounts	9,254,403	-	(686,686)	8,567,717	-	8,567,717
Notes payable	-	4,500,000	-	4,500,000	-	4,500,000
Capital leases	150,452	424,228	(167,239)	407,441	164,052	243,389
Accrued leave	1,073,269	1,186,060	(814,294)	1,445,035	885,554	559,481
Total business-type activities	<u>\$ 69,368,124</u>	<u>\$ 6,110,288</u>	<u>\$ (5,563,219)</u>	<u>\$ 69,915,193</u>	<u>\$ 5,079,606</u>	<u>\$ 64,835,587</u>

\* Accrued leave for the Governmental Activities are expected to be liquidated primarily with revenues of the General Fund and Transportation Fund.

\* The General Fund has been used in prior years to liquidate pension liabilities.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 9. LONG-TERM LIABILITIES (continued)

#### A. Revenue Bonds

Over the years, the Town has issued revenue bonds with pledged revenues as collateral. The revenue bonds have been issued as transportation revenue bonds, water and wastewater revenue bonds and golf revenue bonds. These bonds were issued to finance various construction projects within each of the issuing funds, with the pledged revenue coming from the respective fund.

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain as to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage, or comparison of pledged revenues net of specific operating expenses, for each pledged debt, is provided in Tables 19 through 21 of the statistical section.

In March 2013, the Town issued \$20,000,000 at interest rates ranging from 1.5% – 5% of Sales and Use Tax Revenue Bonds. The purpose of the 2013 bonds was to finance a portion of the North Meadows Extension project. Principal payments are due annually on June 1 through 2035 commencing June 1, 2017. Interest payments are due semi-annually on June 1 and December 1 commencing June 1, 2013. As of December 31, 2019, future payments of principal and interest total \$27,934,420. The bonds are payable solely from the revenue derived from sales and use tax at the rate of 1.35% pledged from the General, Transportation and Community Center funds. During the year ended December 31, 2019 revenues of \$22,306,142 were available to pay annual debt service of \$1,352,163.

In July 2016, the Town issued \$7,405,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2016 at interest rates ranging from 2% – 5%. The purpose of the 2016 bonds was to refund all of the Town's Sales and Use Tax Revenue Bonds, Series 2008 in the amount of \$7,880,000. Principal payments are due annually on June 1 through 2028 commencing June 1, 2018. Interest payments are due semi-annually on June 1 and December 1 commencing December 1, 2016. As of December 31, 2019, future payments of principal and interest total \$8,145,351. The bonds are payable solely from the revenue derived from sales and use tax at the rate of 1.35% pledged from the General, Transportation and Community Center funds. During the year ended December 31, 2019 revenues of \$22,306,142 were available to pay annual debt service of \$880,775.

The Town issued Water and Wastewater Revenue Bonds in 2006 for \$9,665,000 at a 4% interest rate to construct water and wastewater system improvements. In May of 2012, the Town issued \$11,455,000 at interest rates ranging from 2% – 5% in Water and Wastewater Refunding Bonds. The purpose of the refunding was to reduce the interest rate paid on the previously issued Water and Wastewater Revenue Bonds. In July of 2015, the Town issued \$5,610,000 at interest rates ranging from 2% - 5% in Water and Wastewater Refunding Bonds. The purpose of the refunding was to reduce the interest rate paid on the 2006 Water and Wastewater Revenue Bonds. A portion of the 2006 Revenue Bonds totaling \$905,000 was not refunded. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. The bonds are payable solely from the net revenues of the Town's Water and Wastewater Funds after the payment of the operation and maintenance expenses of the systems. These bonds constitute an irrevocable lien upon the net pledged revenues. During the year ended December 31, 2019, net pledged revenues of \$26,915,032 were available to pay annual debt service of \$2,083,644 for the bonds. As of December 31, 2019, future payments of principal and interest, on the 2012 bonds total \$5,535,150 and the 2015 bonds total \$4,808,800.

## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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#### **9. LONG-TERM LIABILITIES (continued)**

##### **A. Revenue Bonds (continued)**

In July 2016, the Town issued \$50,635,000 of Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016 at interest rates ranging from 1.5% – 5%. The purpose of the 2016 bonds was to prepay all of the Town's obligations under its Certificates of Participation, Series 2008 (COPs). The purpose of the COPs was to fund the acquisition of a raw water storage easement in the Reuter-Hess Reservoir owned and operated by Parker Water and Sanitation District and to acquire, construct and install certain other water supply, storage, transmission, and treatment facilities. Principal payments are due annually on December 1 through 2034 commencing December 1, 2016. Interest payments are due semi-annually on June 1 and December 1 commencing December 1, 2016. As of December 31, 2019, future payments of principal and interest total \$58,749,450. The bonds are payable solely from the net revenues of the Town's Water and Wastewater Funds after the payment of the operation and maintenance expenses of the systems. These bonds constitute an irrevocable lien upon the net pledged revenues. During the year ended December 31, 2019, net pledged revenues of \$26,915,032 were available to pay annual debt service of \$3,695,892.

In 2015, the Town issued \$5,410,000 at a 2.86% interest rate of Golf Revenue Refunding and Improvement Bonds to refund the outstanding 2005 Golf Revenue Refunding Bonds, who's original purpose was to finance the acquisition, construction and equipping of the golf course facility. The purpose of the 2015 refunding was to reduce the interest rate paid on the 2005 Bonds and to provide funds for capital improvements at the Golf Course. The outstanding bonds are payable solely from the revenues derived from the operation of the Red Hawk Ridge Golf Course after the payment of operation and maintenance expenses. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. During the year ended December 31, 2019, net pledged revenues of \$699,988 were available to pay annual debt service of \$495,909. As of December 31, 2019 the outstanding balance, including principal and interest was \$3,993,325.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**9. LONG-TERM LIABILITIES (continued)**

**A. Revenue Bonds (continued)**

**Revenue Bonds Outstanding at December 31, 2019**

<u>Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Amount</u>
<b>Governmental Activities</b>			
2013 Sales and Use Tax Bonds	6/1/2035	1.50% - 5.00%	\$ 18,525,000
2016 Sales and Use Tax Bonds	6/1/2028	2.00% - 5.00%	6,710,000
Total governmental activities			<u>\$ 25,235,000</u>
<b>Business-type activities</b>			
2012 Water and Wastewater Revenue Refunding Bonds	12/1/2023	2.00% - 5.00%	\$ 4,975,000
2015 Water and Wastewater Revenue Refunding Bonds	12/1/2026	2.00% - 5.00%	4,060,000
2015 Golf Course Revenue Refunding and Improvement Bonds Revenue Bonds	12/1/2027	2.86%	3,525,000
2016 Water and Wastewater Revenue Refunding Bonds	12/1/2034	1.50% - 5.00%	42,435,000
Total business-type activities			<u>\$ 54,995,000</u>

**Revenue Bond Debt Service Requirements to Maturity**

Year	<b>Government-type Activities</b>		<b>Business-type Activities</b>	
	Principal	Interest	Principal	Interest
2020	\$ 1,145,000	\$ 1,109,388	\$ 4,030,000	\$ 2,265,140
2021	1,180,000	1,075,669	4,185,000	2,130,800
2022	1,215,000	1,036,213	4,300,000	2,036,049
2023	1,260,000	995,088	4,505,000	1,861,837
2024	1,300,000	952,888	3,350,000	1,651,646
2025-2029	7,440,000	3,836,150	16,500,000	5,900,053
2030-2034	9,495,000	1,784,375	18,125,000	2,246,200
2035	2,200,000	55,000	-	-
	<u>\$ 25,235,000</u>	<u>\$ 10,844,771</u>	<u>\$ 54,995,000</u>	<u>\$ 18,091,725</u>

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 9. LONG-TERM LIABILITIES (continued)

#### B. Certificates of Participation

In September 2013, the Town issued Certificates of Participation (COPs) in the amount of \$9,245,000. The purpose of the COPs was to fund the construction of the Fieldhouse at Philip S. Miller Park. Principal payments are due annually on December 1st through 2033. Interest (based on a 360-day year consisting of twelve 30-day months) shall be paid semi-annually on the 1st day of the months of June and December. The Police and Municipal Court Facility are pledged assets.

#### COPs Outstanding at December 31, 2019

<u>Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Amount</u>
<b>Governmental Activities</b>			
2013 Parks and Recreation COPs	12/1/2033	2.0% - 5.0%	\$ 7,130,000
Total governmental activities			<u>\$ 7,130,000</u>

#### COPs Debt Service Requirements to Maturity

<b>Government-type Activities</b>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 385,000	\$ 323,813
2021	400,000	308,413
2022	415,000	294,413
2023	430,000	277,813
2024	450,000	260,613
2025-2029	2,540,000	995,389
2030-2033	2,510,000	321,250
	<u>\$ 7,130,000</u>	<u>\$ 2,781,704</u>

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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### 9. LONG-TERM LIABILITIES (continued)

#### C. Capital Leases

The Town has entered into capital leases for the purchase of equipment. The assets acquired through these leases are recorded at their cost at the original lease date. Specific assets are pledged under the capital leases. Business-type assets include machinery and equipment of \$724,377 less accumulated depreciation of \$328,772. The present values of the minimum lease payments are as follows:

#### Present Value of Minimum Lease Payments

<u>Year</u>	<u>Business-type Activities</u>
2020	\$ 179,284
2021	141,653
2022	<u>114,773</u>
Total Minimum Lease Payments	435,710
Less: amount representing interest	<u>(28,269)</u>
Present value of minimum lease payments	<u>\$ 407,441</u>



## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

#### 9. LONG-TERM LIABILITIES (continued)

##### D. Notes Payable

In October 2016, the Town entered into a promissory note with a financial institution in the amount of \$2,500,000. The purpose of the note was to finance Castle Rock Downtown Development Authority projects. Principal payments are due annually on December 15th through September 15, 2026. Interest (based on a 360-day year consisting of twelve 30-day months) shall be paid quarterly on the 15th day of the months of March, June, September and December commencing March 15, 2017 at a rate of 4.58%. The note is payable from the revenues of the Downtown Development Authority TIF Fund. On June 28, 2019 the principal balance outstanding on the note of \$2,250,000 was paid in full. There was no gain or loss associated with the prepayment.

In December 2019, the Town entered into a loan agreement with a financial institution in the amount of \$9,500,000, with an interest rate of 1.92%. The purpose of the loan was to finance Stormwater projects. As of December 31, 2019 the Town has received \$4.5 million of the proceeds. Principal payments are due annually on December 1, beginning in 2022. Interest payments are due semi-annually on June 1 and December 1. The loan is payable from the revenues of the Stormwater Fund. The Town will draw funds based on the following schedule. The repayment schedule below reflects the debt service requirements for the entire \$9.5 million loan.

Date	Amount
December 19, 2019 (Closing)	\$ 4,500,000
September 30, 2020	4,500,000
September 30, 2021	500,000
Total	\$ 9,500,000

##### Notes Payable Debt Service Requirements to Maturity

Business-type Activities			
Year	Principal	Interest	Totals
2020	\$ -	\$ 82,080	\$ 82,080
2021	-	187,440	187,440
2022	900,000	184,027	1,084,027
2023	975,000	165,120	1,140,120
2024	1,000,000	146,400	1,146,400
2025-2029	5,445,000	432,384	5,877,384
2030	1,180,000	22,656	1,202,656
	<u>\$ 9,500,000</u>	<u>\$ 1,220,107</u>	<u>\$ 10,720,107</u>

##### E. Interest Expense

Total interest expense in the amount of \$1,337,305 and \$1,841,323 was charged to governmental type and business type funds, respectively, for the year ended December 31, 2019



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# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 10. FUND BALANCE

				Non-major Special Revenue Funds			
	General	Transportation	Transportation Capital	Conservation Trust	P.S. Miller	Public Art	Police Forfeiture
Nonspendable	\$ 4,591,792	\$ 69,817	\$ -	\$ 1,289	\$ 1,380	\$ -	\$ -
Prepaid Items	498,669	69,817	-	1,289	1,380	-	-
Loans to other funds (long-term portion)	4,093,123	-	-	-	-	-	-
Restricted	\$ 2,052,460	\$ -	\$ 11,475,336	\$ 500,943	\$ -	\$ -	\$ 21,855
TABOR	2,052,460	-	-	-	-	-	-
Grants earned, not spent	-	-	-	-	-	-	21,855
Impact Fees	-	-	11,475,336	-	-	-	-
Lottery Funds	-	-	-	500,943	-	-	-
Committed	\$ 5,164,845	\$ 8,369,972	\$ -	\$ 240,942	\$ 303,454	\$ 26,139	\$ -
Council designation of revenue sources	-	8,369,972	-	240,942	303,454	26,139	-
Contractual Obligations	396,714	-	-	-	-	-	-
Economic Development	4,768,131	-	-	-	-	-	-
Assigned	\$ 2,145,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Project Carryforward	2,145,008	-	-	-	-	-	-
Unassigned	\$ 15,592,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash reserve policy	12,092,141	-	-	-	-	-	-
Unappropriated	3,500,674	-	-	-	-	-	-
Total Fund Balance	\$ 29,546,920	\$ 8,439,789	\$ 11,475,336	\$ 743,174	\$ 304,834	\$ 26,139	\$ 21,855

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

10. FUND BALANCE (continued)

				Non-major Capital Project Funds													
Castle Rock Urban Renewal Authority				Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long- Term Planning	Total Other Governmental Funds	Total Governmental Funds							
DDA TIF																	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,669	\$	4,664,278				
	-		-		-		-		-		2,669		571,155				
	-		-		-		-		-		-		4,093,123				
\$	-	\$	-	\$	2,093,011	\$	741,254	\$	-	\$	-	\$	3,357,063	\$	16,884,859		
	-		-		-		-		-		-		-		2,052,460		
	-		-		-		-		-		-		21,855		21,855		
	-		-		2,093,011		741,254		-		-		2,834,265		14,309,601		
	-		-		-		-		-		-		500,943		500,943		
\$	946,933	\$	-	\$	-	\$	-	\$	-	\$	2,542,845	\$	4,060,313	\$	17,595,130		
	946,933		-		-		-		-		2,542,845		4,060,313		12,430,285		
	-		-		-		-		-		-		-		396,714		
	-		-		-		-		-		-		-		4,768,131		
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,145,008		
	-		-		-		-		-		-		-		2,145,008		
\$	-	\$	(22,776)	\$	-	\$	-	\$	(1,512,994)	\$	(1,105,960)	\$	-	\$	(2,641,730)	\$	12,951,085
	-		-		-		-		-		-		-		-		12,092,141
	-		(22,776)		-		-		(1,512,994)		(1,105,960)		-		(2,641,730)		858,944
\$	946,933	\$	(22,776)	\$	2,093,011	\$	741,254	\$	(1,512,994)	\$	(1,105,960)	\$	2,542,845	\$	4,778,315	\$	54,240,360

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 11. PENSION PLANS

Town employees are covered under one of the four different pension plans, depending on occupation. Three of the plans are the General Employee Plan, Sworn Police Officers Plan and the Fire Employees Statewide Defined Benefit Plan. The Town Manager and the Town Attorney are covered under the Executive Defined Contribution Plan. In addition to the employee pension plans, the Town also participates in an agent multiple-employer defined benefit plan that covers its volunteer fire fighters under the Volunteer Fire Pension Plan. All plans and plan amendments are approved by Town Council as a single-employer, defined contribution plans, qualified under IRS guidelines, except the two fire pension plans, an agent multiple-employer defined benefit plan and a cost sharing multiple-employer defined benefit plan, respectively.

The following table summarizes each of the Town's FPPA plans and the respective pension activity recorded in the financials.

Plan	Net Pension Asset (Liability)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Reduction)
FPPA SWDB	\$ (1,407,329)	\$ 5,031,735	\$ 77,502	\$ 165,715
Volunteer Firefighter	(262,228)	58,565	-	36,613
Totals	<u>\$ (1,669,557)</u>	<u>\$ 5,090,300</u>	<u>\$ 77,502</u>	<u>\$ 202,328</u>

All plans are administered by outside trustees and do not meet the standards of accounting principles generally accepted in the United States of America for inclusion as part of the reporting entity.

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town Fire Pension Plans and additions to/deductions from the Fire Pension Plans fiduciary net position have been determined on the same basis as they are reported by the Fire and Police Pension Association of Colorado (FPPA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. All employees who participate in the FPPA plans are funded through the general fund and therefore the net pension liability or net pension asset are recorded at the government-wide level only.

A description of each plan and selected financial information follows.

#### **A. General Employee Plan**

A multi-employer defined contribution pension plan is maintained for all permanent full-time and part-time employees who work at least 20 hours per week on an annual basis. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Firefighters are excluded from the plan and are covered by a separate plan, as described in 11. D. Sworn Police Officers are excluded from the plan and are covered by a separate plan, as described in 11. C. For 2019, the plan requires mandatory employee pre-tax contributions to the plan of 4% of compensation. The Town also contributes 7% of each employees' compensation to the plan with the exception of the Town Manager and Town Attorney. As part of their employment contracts, the Town Manager and the Town Attorney receive an 11% contribution from the Town and do not have a mandatory employee contribution. The Town has no other obligations to fund this plan. Employees are permitted to contribute additional amounts beyond their 4% mandatory contribution into a deferred 457 plan. These additional amounts are invested in a deferred compensation plan pursuant to Internal Revenue Code (IRC) Section 457, see Note 12.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### **11. PENSION PLANS (continued)**

#### **A. General Employee Plan (continued)**

The plan requires employee participation in the plan immediately upon date of hire. Vesting of employer contributions are 100% after 1 year of employment. Unvested contributions for terminated employees are returned to the Town, net of servicing fees. Employees are fully vested for their contributions immediately. All administrative costs of the plans are borne by the participants of each plan.

Employer contributions are funded by the governmental and proprietary funds. The Town's contributions for 2019 were \$1,798,497. Town employees' mandatory contributions for 2019 were \$1,002,346.

Plan provisions and contribution requirements are established and administered by the International City Managers Association (ICMA) Retirement Corporation and may be amended with the approval of Town Council.

#### **B. Executive Defined Contribution Plan**

In 2004, the Town agreed to adopt a qualified 401(a) Executive Defined Contribution plan as part of the employment contracts for the Town Manager and the Town Attorney. The Town contributed 9% of the covered employee's compensation into this plan. Vesting is based on years of service and an employee will not be fully vested until they have reached 10 years of service. The Town's contributions to the plan for the year ended December 31, 2019 were \$36,400, equal to the required contributions. Plan provisions and contribution requirements are established and administered by ICMA and may be amended with the approval of Town Council.

#### **C. Sworn Police Officers Defined Contribution Plan**

In 2018, the Town's Sworn Police Officers were moved from the General Employee Plan and added to a new qualified 401(a) Money Purchase Retirement plan. For 2019, the plan requires mandatory employee pre-tax contributions to the plan of 5.6% of compensation. The Town also contributes 8.6% of each employees' compensation to the plan. The Town has no other obligations to fund this plan. Employees are permitted to contribute additional amounts beyond their 5.6% mandatory contribution into a deferred 457 plan. These additional amounts are invested in a deferred compensation plan pursuant to Internal Revenue Code (IRC) Section 457, see Note 12.

The plan requires employee participation in the plan immediately upon date of hire. Vesting of employer contributions are 100% after 1 year of employment. Unvested contributions for terminated employees are returned to the Town, net of servicing fees. Employees are fully vested for their contributions immediately. All administrative costs of the plans are borne by the participants of each plan.

Employer contributions are funded by the governmental funds. The Town's contributions for 2019 were \$621,025. Town employees' mandatory contributions for 2019 were \$404,388.

Plan provisions and contribution requirements are established and administered by the International City Managers Association (ICMA) Retirement Corporation and may be amended with the approval of Town Council.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 11. PENSION PLANS (continued)

#### **D. Fire Employees - Statewide Defined Benefit Plan**

##### (a) Plan Description

The Town contributes to the Statewide Defined Benefit Plan (SWDB), which is a cost sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for plan members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time paid firefighters of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Plan provisions and contribution requirements are established and amended by FPPA. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. The FPPA Comprehensive Annual Financial Report can be obtained on FPPA's website at: [www.fppaco.org/annual-reports.html](http://www.fppaco.org/annual-reports.html).

##### (b) Description of Benefits

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

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

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

##### (c) Contributions

Contribution rates for the Statewide Defined Benefit Plan (SWDB) are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10.5% and 8%, respectively, of base salary for the total contribution rate of 18.5% in 2019. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022.

The Town's contribution to the SWDB for the year ending December 31, 2019 was \$574,390, equal to the required contribution for the year.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 11. PENSION PLANS (continued)

#### **D. Fire Employees - Statewide Defined Benefit Plan (continued)**

##### (d) Pension Liability

At December 31, 2019, the Town reported a liability of \$1,407,329 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined based upon the January 1, 2019 actuarial valuation, which was unchanged from December 31, 2018.

The Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. The Town's proportion measured as of December 31, 2018, was 1.113152%, which was a decrease of 0.021464% from its proportion measured as of December 31, 2017.

##### (e) Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended December 31, 2019, the Town recognized pension expense for the SWDB of \$165,715. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,808,298	\$ 15,034
Changes in assumptions	1,362,953	-
Net difference between projected and actual investment earnings	1,107,081	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	179,013	62,468
Town contributions subsequent to the measurement date	574,390	-
Total	<u>\$ 5,031,735</u>	<u>\$ 77,502</u>



# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 11. PENSION PLANS (continued)

#### D. Fire Employees - Statewide Defined Benefit Plan (continued)

The \$574,390 reported as deferred outflows of resources related to Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWDB will be recognized in pension expense as follows:

Year ending December 31	Net Deferred Outflows (Inflows) Of Resources
2020	\$ 820,291
2021	589,181
2022	503,472
2023	825,435
2024	407,825
Thereafter	1,233,639
Total	<u>\$ 4,379,843</u>

#### (f) Actuarial Assumptions

The January 1, 2019 actuarial valuation, based on the most recent actuarial study completed in 2018, used the following:

Actuarial Method	Entry Age Normal
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases*	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%
Mortality	For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

Changes in Assumptions. The investment rate of return decreased from 7.50% to 7.00% from the previous valuation, the projected salary increases changed from 4% - 14% to 4.25% - 11.25%, and the mortality tables were updated.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 11. PENSION PLANS (continued)

#### D. Fire Employees - Statewide Defined Benefit Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation (as of December 31, 2018) are summarized in the following table:

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

#### (g) Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 11. PENSION PLANS (continued)

#### D. Fire Employees - Statewide Defined Benefit Plan (continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Town's net pension liability/(asset)	\$ 5,457,452	\$ 1,407,329	\$ (1,952,175)

#### (h) Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in FPPA's Comprehensive Annual financial report.

#### E. Volunteer Firefighters' Pension Plan

##### (a) Plan Description – Benefits Provided

The Town participates in an agent multiple-employer defined benefit pension plan that covers its volunteer firefighters. The plan is administered and benefit provisions are executed by FPPA. This plan provides retirement benefits as well as death and disability benefits. The Town's volunteer firefighters become fully vested after 20 years of active service and reaching age 50. The benefit, payable at age 50, would be equal to the retirement benefit prorated based upon the number of years of service accrued at termination. Surviving spouses of deceased retirees are entitled to 50% of the retirement benefit until remarriage or their death. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. The FPPA Comprehensive Annual Financial Report can be obtained on FPPA's website at: [www.fppaco.org/annual-reports.html](http://www.fppaco.org/annual-reports.html). The volunteer firefighters' pension plan is closed to new entrants.

##### (b) Contributions

Volunteer Plan participants are not compensated and do not contribute to the plan. The Volunteer Firefighters' Pension Plan receives contributions from the Town in an amount not to exceed one-half mill of property tax revenue. As established by the legislature, the State of Colorado contributes up to ninety percent of the Town's contribution. The State's contribution does not meet the definition of a special funding situation as defined by GASB 68 and is considered a discretionary contribution. The State's contribution must not exceed the greater of the actuarially determined contribution or the highest State contribution during the years 1998 through 2001, which was \$17,635 in 2000. The actuarial study as of January 1, 2019, indicated that the current level of contributions to the fund is adequate to support on an actuarially sound basis, the prospective benefits for the present Plan. For the year ended December 31, 2019, the Town and State contributions were \$20,440 and \$0, respectively. The State contribution of \$17,635 was received in January 2020 and will be reported in the appropriate year.

## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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#### 11. PENSION PLANS (continued)

##### **E. Volunteer Firefighters' Pension Plan (continued)**

###### (c) Members Covered by Benefit Terms

Membership covered by benefit terms at December 31, 2019:

Retirees and Beneficiaries	20
Active Members	<u>1</u>
Total	21

###### (d) Pension Liability

At December 31, 2019, the Town reported a net pension liability of \$262,228. The net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2019 actuarial valuation, which is unchanged from December 31, 2018.

###### (e) Actuarial Assumptions

The January 1, 2019 actuarial valuation based on the most recent experience study completed in 2018 used the following:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	<b>Pre-retirement:</b> 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. RP-2014 Mortality Table for Blue Collar Employees, 55% multiplier for off-duty mortality. <b>Post-retirement:</b> 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. <b>Disabled:</b> 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Changes in Assumptions. The investment rate of return decreased from 7.50% to 7.00% from the previous valuation and the mortality tables and projection scales were updated.

## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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#### 11. PENSION PLANS (continued)

##### E. Volunteer Firefighters' Pension Plan (continued)

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

Asset Class	Target Allocation	Expected Rate of Return
Cash	2.0%	2.52%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Equity Long/Short	9.0%	6.45%
Global Equity	37.0%	8.03%
Private Markets	24.0%	10.00%
Total	100.0%	

##### (f) Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumes that all actuarially determined contributions will be made. The plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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**11. PENSION PLANS (continued)**

**E. Volunteer Firefighters' Pension Plan (continued)**

(g) Changes in Net Pension Liability

<b>Total Pension Liability</b>	
Service Cost	\$ 2,879
Interest on the Total Pension Liability	84,888
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	(26,200)
Changes in assumptions	40,977
Benefit Payments	(111,578)
<b>Net Change in Total Pension Liability (Asset)</b>	<u>(9,034)</u>
<b>Total Pension Liability - Beginning</b>	<u>1,185,213</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 1,176,179</u>
 <b>Plan Fiduciary Net Pension</b>	
Employer Contribution	\$ 20,440
Net Investment Income	689
Benefit Payments	(111,578)
Pension Plan Administrative Expenses	(5,163)
State of Colorado Supplemental Discretionary Payment	17,635
<b>Net Change in Plan Fiduciary Net Pension</b>	<u>(77,977)</u>
<b>Plan Fiduciary Net Position – Beginning (Market value of assets at beginning of year)</b>	<u>991,928</u>
<b>Plan Fiduciary Net Position – Ending (Market value of assets at end of year)</b>	<u>\$ 913,951</u>
<b>Net Pension Liability</b>	<u>\$ 262,228</u>

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 11. PENSION PLANS (continued)

#### E. Volunteer Firefighters' Pension Plan (continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Town's net pension liability	\$ 374,167	\$ 262,228	\$ 167,409

#### (h) Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports online at [www.fppaco.org/annual-reports.html](http://www.fppaco.org/annual-reports.html)

#### (i) Pension Expense

For the year ended December 31, 2019, the Town recognized pension expense of \$36,613.

#### (j) Pension Deferred Outflows/Inflows of Resources

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 38,125	\$ -
Town contributions subsequent to the measurement date	20,440	-
Total	\$ 58,565	\$ -

## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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#### 11. PENSION PLANS (continued)

##### E. Volunteer Firefighters' Pension Plan (continued)

The \$20,440 reported as deferred outflows of resources related to the Volunteer pension plan resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

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

<u>Year ending December 31</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
2020	\$ 16,727
2021	5,663
2022	1,574
2023	14,161
Total	<u>\$ 38,125</u>

#### 12. DEFERRED COMPENSATION PLANS

The Town provides employees deferred compensation plans created in accordance with IRC Section 457. These plans permit employees to defer a portion of their salary until future years.

The general employee plan is administered and benefit provisions are amended through ICMA. All full-time and part-time employees who are covered by the ICMA general employees defined contribution pension plan are eligible to participate in the ICMA deferred compensation plan. There are no contributions made by the Town.

A second IRC 457 plan is established with Colorado County Officials and Employees Retirement Association (CCOERA). The plan is administered and benefit provisions are amended through CCOERA. This plan is only available to those employees who were eligible to participate in the CCOERA defined contribution pension plan. There are no contributions made by the Town.

A third plan is available to fire employees who meet the eligibility requirements for FPPA membership. This plan is administered and benefit provisions are amended through FPPA. The Town contributes 3% of each paid fire fighter's salary. Employee participation in the 457 plans is optional. For the year ended December 31, 2019, the Town contributions were \$224,304.

Deferred Compensation is only available to employees upon termination, retirement, death or unforeseeable emergency. Each plan's trustee manages investments. Several investment options are available to participants.



# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 13. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town has agreed to partially selfinsure claims for health insurance of Town employees to a maximum liability of \$100,000 per covered person. For insured risks, no settlements have exceeded coverage during the past three years.

Self-insurance activities are accounted for in the accounts payable line item of the Employee Benefits Fund. The basis for estimating the liabilities of unpaid claims is by using actuarial projection techniques. Changes in claims payable were as follows:

	<u>2019</u>	<u>2018</u>
Claims payable, January 1	\$ 623,377	\$ 522,133
Incurred claims	7,066,019	6,448,923
Claims paid	<u>(7,080,625)</u>	<u>(6,347,679)</u>
Claims payable, December 31	<u>\$ 608,771</u>	<u>\$ 623,377</u>

For excess liability, property and workers compensation claims, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by an intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purpose of CIRSA is to provide members defined liability and property coverage and to provide assistance in prevention of loss to municipal property and to personal injury.

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 coverage 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 the ability to significantly affect the operations of the unit.

In 2019, the Town's CIRSA deductibles per occurrence were:

Liability	\$100,000
Auto Liability	\$ 5,000
Property	\$100,000
Auto Physical Damage	\$100,000

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 14. COMMITMENTS AND CONTINGENCIES

#### Committed Construction

As of December 31, 2019, the Town had unexpended construction related commitments of \$55,320,649.

#### Federal Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expect such amounts, if any, to be immaterial.

#### Litigation

Although the Town is subject to pending and threatened litigation, the Town's Management and the Town Attorney believe that all lawsuits and claims, which have been filed against the Town, are either adequately covered by insurance or the final settlement of uninsured matters will not have a materially adverse effect on the financial position of the Town.

#### Taxpayer Bill of Rights (TABOR)

In November 1992, Colorado voters approved a State Constitutional Amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues) without a vote of the local citizens. The key mechanisms for restraining growth without a vote are: 1) the prohibition of revenue and expenditure growth other than for inflation and a component for new construction growth, 2) the prohibition of new taxes or higher tax rates, 3) the prohibition of new debt, and 4) the refunding of any revenues collected in excess of the revenue limitations.

Castle Rock voters have approved certain revenue exemptions. These exemptions include: 1) a \$.0075 exemption of sales and motor vehicle taxes approved in 1994 to be used for streets, trails, bridges and sidewalks, 2) a \$.004 exemption of sales and motor vehicle taxes approved in 1995 to be used for transportation and the community center, and 3) approved in 2005, an exemption of all transportation impact fees and all building use taxes to be used for transportation and the community center.

TABOR further requires emergency reserves of at least 3% of fiscal year spending (excluding bonded debt service). This reserve was recorded in the General Fund as reserved fund balance of \$2,052,460 as of December 31, 2019. Local governments are prohibited from use of these emergency reserves to compensate for economic conditions, revenue shortfalls, salary or benefit increases.

The Town's management believes the Town is in compliance with the provisions of TABOR.

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 15. INTERFUND TRANSACTIONS

Transactions that are representative of lending / borrowing arrangements which were outstanding at the end of the year are referred to as “Loans to / from Other Funds” or “interfund loans”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Town-wide financial statements as “internal balances”. Eliminations are made in interfund activities, payables and receivables. All internal balances in the Town-wide Statement of Net Position have been eliminated except those representing balances between the governmental activities and business-type activities, which are reported as internal balances and are eliminated in the total column. In the Statement of Activities, internal service fund transactions have been eliminated. Transactions between governmental and business-type activities are not eliminated.

#### INTERFUND LOANS

##### REPORTING FUND

Fund loan from / to	Purpose	Receivable	Payable
<b>GOVERNMENTAL FUNDS</b>			
<b>General</b>			
DDA TIF	Advance for loan payoff that partially funded the Festival Park improvement project	\$ 1,365,411	\$ -
Facilities Capital	Advance for Public Safety Training Facility	146,138	-
Police Capital	Impact fees - reimburse General Fund for growth related construction	754,780	-
Police Capital	Advance for Public Safety Training Facility	292,277	-
Fire Capital	Advance for Crystal Valley Fire Station	2,435,190	-
Fire Capital	Advance for Public Safety Training Facility	292,277	-
Water Resources	Advance for Metzler Park turf replacement	-	1,268,247
Golf	Advance debt service reserve	500,815	-
<b>Economic Development</b>			
Urban Renewal Authority	Advance for operating costs	51,072	-
Total General Fund		5,837,960	1,268,247
<b>Other Governmental Funds</b>			
<b>DDA TIF</b>			
General	Advance for loan payoff that partially funded the Festival Park improvement project	-	1,365,411

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 15. INTERFUND TRANSACTIONS (continued)

#### INTERFUND LOANS (continued)

##### REPORTING FUND

Fund loan from / to	Purpose	Receivable	Payable
<b>Other Governmental Funds (continued)</b>			
<b>Facilities Capital</b>			
General	Advance for Public Safety Training Facility	-	146,138
Police Capital	Advance for Police Department basement renovation	200,694	-
Total Facilities Capital Fund		<u>200,694</u>	<u>146,138</u>
<b>Fire Capital</b>			
General	Advance for Crystal Valley Fire Station	-	2,435,190
General	Advance for Public Safety Training Facility	-	292,277
Total Fire Capital		<u>-</u>	<u>2,727,467</u>
<b>Police Capital</b>			
General	Impact fees - reimburse General Fund for growth related construction	-	754,780
General	Advance for Public Safety Training Facility	-	292,277
Facilities Capital	Advance for Police Department basement renovation	-	200,694
Total Police Capital Fund		<u>-</u>	<u>1,247,751</u>
<b>Urban Renewal Authority</b>			
Economic Development	Advance for operating costs	-	51,072
Total Other Governmental Funds		<u>200,694</u>	<u>5,537,839</u>
Total Governmental Funds		<u>6,038,654</u>	<u>6,806,086</u>
<b>ENTERPRISE FUNDS</b>			
<b>Water Resources</b>			
General	Advance for Metzler Park turf replacement	1,268,247	-
<b>Golf</b>			
General	Advance for debt service reserve	-	500,815
Total Enterprise Funds		<u>1,268,247</u>	<u>500,815</u>
	Total All Funds	<u>\$ 7,306,901</u>	<u>\$ 7,306,901</u>

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS	
REPORTING FUND			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
<b>GOVERNMENTAL FUNDS</b>			
<b>General</b>			
Transportation	Funding for parks improvements	\$ 578,813	\$ -
PS Miller	Funding for special events	-	175,000
Parks Capital	Interfund loan interest	4,500	-
Parks Capital	Funding for Fleet bay extension	-	177,809
Municipal Facilities Capital	Interfund loan interest	2,901	-
Municipal Facilities Capital	Funding for Public Safety Training Facility construction	107,386	-
Fire Capital	Funding for Public Safety Training Facility construction	214,772	-
Fire Capital	Interfund loan interest	46,598	-
Police Capital	Funding for Public Safety Training Facility construction	214,772	-
Police Capital	Interfund loan interest	17,847	-
General Long Term Planning	Funding for Public Safety Training Facility construction	223,721	-
General Long Term Planning	Funding for replacement of Fire Department equipment	-	308,700
Golf	Interfund loan interest	7,512	-
Water Resources	Funding for Metzler Park turf replacement	60,395	-
Water Resources	Interfund loan interest	-	19,688
Fleet	Purchase of new vehicles	-	13,941
DDA TIF	Interfund loan interest	28,859	-
<b>Economic Development</b>			
DDA TIF	Interfund loan interest	4,567	-
Total General Fund		1,512,643	695,138
<b>Transportation</b>			
General	Funding for parks improvements	-	578,813
Transportation Capital	Funding to support Transportation Capital fund projects	-	2,000,000
Total Transportation Fund		-	2,578,813
<b>Transportation Capital</b>			
Municipal Facilities	Funding for Fleet bay extension	53,456	-
Water	Funding for Fleet bay extension	200,682	-
Development Services	Funding for Fleet bay extension	78,402	-
Fleet	Funding for Fleet bay extension	28,510	-
Fleet	Purchase of new vehicles	-	55,870
Transportation	Funding to support Transportation Capital fund projects	2,000,000	-
Parks Capital	Funding for Fleet bay extension	245,896	-
Fire Capital	Funding for Fleet bay extension	149,676	-
Police Capital	Funding for Fleet bay extension	199,568	-
Water Resources	Funding for Fleet bay extension	3,647	-
Stormwater	Funding for Fleet bay extension	62,031	-
Wastewater	Funding for Fleet bay extension	40,149	-
Community Center	Funding for Fleet bay extension	17,819	-
Golf	Funding for Fleet bay extension	7,127	-
Total Transportation Capital Fund		3,086,963	55,870

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS (continued)	
REPORTING FUND			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
<b>Other Governmental Funds</b>			
<b>PS Miller</b>			
General Fund	Funding for special events	175,000	-
<b>DDA TIF</b>			
Economic Development	Interfund loan interest	-	4,567
General	Interfund loan interest	-	28,859
<b>Parks Capital</b>			
General	Funding for Fleet bay extension	177,809	-
General	Interfund loan interest	-	4,500
Community Center	Interfund loan interest	-	6,000
Transportation Capital	Funding for Fleet bay extension	-	245,896
<b>Municipal Facilities Capital</b>			
General	Funding for Public Safety Training Facility construction	-	107,386
General	Interfund loan interest	-	2,901
Police Capital	Interfund loan interest	3,362	-
Transportation Capital	Funding for Fleet bay extension	-	53,456
<b>Fire Capital</b>			
General	Funding for Public Safety Training Facility construction	-	214,772
General	Interfund loan interest	-	46,598
Transportation Capital	Funding for Fleet bay extension	-	149,676
<b>Police Capital</b>			
General	Interfund loan interest	-	17,847
General	Funding for Public Safety Training Facility construction	-	214,772
Municipal Facilities Capital	Interfund loan interest	-	3,362
Fleet	Purchase of new vehicles	-	117,499
Transportation Capital	Funding for Fleet bay extension	-	199,568
<b>General Long Term Planning</b>			
General	Funding for Public Safety Training Facility construction	-	223,721
General	Funding for replacement of Fire Department equipment	308,700	-
Total Other Governmental Funds		664,871	1,641,380

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

### 15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS (continued)	
REPORTING FUND			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
<b>ENTERPRISE FUNDS</b>			
<b>Water</b>			
Transportation Capital	Funding for Fleet bay extension	-	200,682
Water Resources	Reallocation of Town's resources	-	1,593,706
Stormwater	Interfund loan interest	10,125	-
Total Water Fund		10,125	1,794,388
<b>Water Resources</b>			
Water	Reallocation of Town's resources	1,593,706	-
General Fund	Funding for Metzler Park turf replacement	-	60,395
General Fund	Interfund loan interest	19,688	-
Transportation Capital	Funding for Fleet bay extension	-	3,647
Total Water Resources Fund		1,613,394	64,042
<b>Stormwater</b>			
Water	Interfund loan interest	-	10,125
Transportation Capital	Funding for Fleet bay extension	-	62,031
Total Stormwater Fund		-	72,156
<b>Wastewater</b>			
Transportation Capital	Interfund loan interest	-	40,149
Total Wastewater Fund		-	40,149
<b>Golf</b>			
General	Interfund loan interest	-	7,512
Transportation Capital	Funding for Fleet bay extension	-	7,127
Community Center	Funding for youth golf program	80,000	-
Total Golf Fund		80,000	14,639
<b>Community Center</b>			
Parks Capital	Interfund loan interest	6,000	-
Golf	Funding for youth golf program	-	80,000
Transportation Capital	Funding for Fleet bay extension	-	17,819
Total Community Center Fund		6,000	97,819
<b>Development Services</b>			
Transportation Capital	Funding for Fleet bay extension	-	78,402
Total Development Services Fund		-	78,402

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019

15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS (continued)	
REPORTING FUND			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
INTERNAL SERVICE FUNDS			
<b>Fleet</b>			
General	Purchase of new vehicles	13,941	-
Police Capital	Purchase of new vehicles	117,499	-
Transportation Capital	Purchase of new vehicles	55,870	-
Transportation Capital	Funding for Fleet bay extension	-	28,510
Total Fleet Fund		187,310	28,510
	Total All Funds	\$ 7,161,306	\$ 7,161,306



# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### **15. INTERFUND (continued)**

In 2002, the Town established the Parks, Municipal Facilities, Fire, Police, and Recreation Capital Funds. Prior to 2002, these activities were accounted for in the General Fund. At the point of the transfer, certain projects completed by the General Fund were expected to be reimbursed by development impact fees that are collected in the capital funds. To assure reimbursement of the costs, the Town recorded loans between the General Fund and the capital funds. Since the expenditures had already occurred, this resulted in the capital project funds showing fund deficits in prior years. Currently, only the Police Capital Project Fund remains in deficit from these loans.

In 2017, the Town recorded an advance from the General Fund to the Police Capital Fund of \$480,000 representing its share of the new Public Safety Training Facility.

In 2017, the Town recorded a loan from the General Fund to the Fire Capital Fund of \$3,000,000 to partially fund the construction of the Crystal Valley Fire Station and an advance of \$480,000 representing its share of the new Public Safety Training Facility.

In 2019, the Town recorded a loan from the General Fund to the DDA TIF Fund of \$2,125,000 for a term loan payoff that partially funded the Festival Park improvement project.

### **16. DEFICIT FUND BALANCES**

On December 31, 2019, the Police Capital Fund had a fund deficit of \$1,105,960. This will be eliminated with the repayment of the loans from the collection of future development impact fees.

On December 31, 2019, the Fire Capital Fund had a fund deficit of \$1,512,994. This will be eliminated with the repayment of the loans from the collection of future development impact fees.

On December 31, 2019, CRURA had a fund deficit of \$22,776. This will be eliminated with the repayment of the loan from future CRURA TIF funds.

### **17. TAX ABATEMENTS**

The Town enters into public finance agreements with developers in order to create jobs, expand the tax base, encourage existing businesses to make capital investments, and spur new office, industrial, and retail expansion and development. Town sales tax credit ordinances authorize sales tax abatements for public finance agreements. For the year ended December 31, 2019, the Town abated approximately \$1,450,000 under this program.

## TOWN OF CASTLE ROCK, COLORADO

### NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

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#### 18. DISCRETELY-PRESENTED COMPONENT UNIT

As of December 31, 2019, all of the CRDDA's deposits were either insured by the FDIC or held in eligible depositories.

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

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Ending Balance</u></b>
Capital assets being depreciated				
Downtown improvements	\$ 112,379	\$ -	\$ -	\$ 112,379
Ice rink site improvements	103,065	-	-	103,065
Ice rink equipment	<u>146,563</u>	<u>-</u>	<u>-</u>	<u>146,563</u>
Total capital assets being depreciated	<u>362,007</u>	<u>-</u>	<u>-</u>	<u>362,007</u>
Less accumulated depreciation				
Downtown improvements	(80,611)	(11,530)	-	(92,141)
Ice rink site improvements	(58,720)	(10,306)	-	(69,026)
Ice rink equipment	<u>(70,489)</u>	<u>(14,656)</u>	<u>-</u>	<u>(85,145)</u>
Total accumulated depreciation	<u>(209,820)</u>	<u>(36,492)</u>	<u>-</u>	<u>(246,312)</u>
CRDDA capital assets, net	<u>\$ 152,187</u>	<u>\$ (36,492)</u>	<u>\$ -</u>	<u>\$ 115,695</u>

# TOWN OF CASTLE ROCK, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 19. RELATED PARTY TRANSACTIONS

The Castle Rock Council members are on the boards of various organizations in the region, including the Adventist Wellness Committee, Castle Rock Chamber of Commerce, Castle Rock Economic Partnership, Castle Rock Economic Development Council, Castle Rock Fire Volunteer Pension Board, Chatfield Watershed Authority, Cherry Creek Basin Water Quality Authority, Colorado Municipal League Policy Committee, Denver Regional Council of Governments, Douglas County Housing Partnership, Douglas County Youth Initiative, Downtown Development Authority, Downtown Merchants Association, Fire Pension Board, Metro Mayors Caucus, and Partnership of Douglas County Governments. In addition, the Director of Parks and Recreation is on the board of Rueter Hess Recreation Authority.

The Town made payments of the following amounts to these organizations in 2019:

#### Related Party Transactions

Castle Rock Chamber of Commerce	\$99,720
Castle Rock Economic Development Council	210,086
Chatfield Watershed Authority	62,925
Denver Regional Council of Governments	15,600
Douglas County Housing Partnership	35,000
Douglas County Youth Initiative	19,800
Downtown Development Authority	164,917
Downtown Merchants Association	75,000
Rueter Hess Recreation Authority	219,000

### 20. SUBSEQUENT EVENTS

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Town. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

In response to COVID-19, the federal government passed legislation that brings economic relief to state and local governments. Under the Coronavirus Relief Fund (CRF) established in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Town received \$18,128 from the State of Colorado's Department of Health and Human Services as an advance through the CARES Act Provider Relief Fund.

The CARES Act is the largest-ever economic stimulus package in U.S. history containing several grant funding opportunities for governments, education centers, and healthcare providers to prevent, prepare for, and respond to the coronavirus pandemic. In 2020, Douglas County has allocated \$3.4M for the Town to submit eligible expenses for reimbursement for costs not previously covered through any other funding source such as FEMA.



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## **SUPPLEMENTARY INFORMATION**

*Required Supplementary Information*

*Combining and Individual Fund Statements and Schedules*

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## *Required Supplementary Information*

*Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios for the Volunteer Firefighters' Pension Plan*

*Schedule of Contributions for the Volunteer Firefighters' Pension Plan*

*Schedule of Contributions for the Statewide Defined Benefit Pension Plan*

*Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset) for the Statewide Defined Benefit Pension Plan*

*Schedule of Revenues and Expenditures and Changes in Funds Available*

*General Fund*

*Transportation Fund*

*Note to Required Supplementary Information*



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TOWN OF CASTLE ROCK, COLORADO

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS  
 FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA)  
 VOLUNTEER FIRE PENSION PLAN  
 LAST TEN YEARS (to be built prospectively)

Measurement period ending December 31,	2018	2017	2016
Total Pension Liability			
Service Cost	\$ 2,879	\$ 2,879	\$ 2,861
Interest on the Total Pension Liability	84,888	86,346	82,814
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	(26,200)	-	28,112
Assumption Changes	40,977	-	40,514
Benefit Payments	(111,578)	(105,840)	(108,540)
Net Change in Total Pension Liability	(9,034)	(16,615)	45,761
Total Pension Liability - Beginning	1,185,213	1,201,828	1,156,067
Total Pension Liability - Ending (a)	\$ 1,176,179	\$ 1,185,213	\$ 1,201,828
Plan Fiduciary Net Position			
Employer Contributions	20,440	\$ 20,440	\$ 20,440
Pension Plan Net Investment Income	689	130,343	48,736
Benefit Payments	(111,578)	(105,840)	(108,540)
Pension Plan Administrative Expense	(5,163)	(5,149)	(1,735)
State of Colorado supplemental discretionary payment	17,635	17,635	17,635
Net Change in Plan Fiduciary Net Position	(77,977)	57,429	(23,464)
Plan Fiduciary Net Position - Beginning	991,928	934,499	957,963
Plan Fiduciary Net Position - Ending (b)	\$ 913,951	\$ 991,928	\$ 934,499
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 262,228	\$ 193,285	\$ 267,329
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.71%	83.69%	77.76%
Covered Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

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2015	2014
\$ 2,861	\$ 3,761
84,409	66,823
-	118,071
-	154,102
-	-
(108,540)	(107,146)
(21,270)	235,611
1,177,337	941,726
<u>\$ 1,156,067</u>	<u>\$ 1,177,337</u>

\$ 20,440	\$ 20,440
18,015	67,171
(108,540)	(107,146)
(3,747)	(1,914)
17,635	17,635
(56,197)	(3,814)
1,014,160	1,017,974
<u>\$ 957,963</u>	<u>\$ 1,014,160</u>
<u>\$ 198,104</u>	<u>\$ 163,177</u>

82.86%	86.14%
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N/A	N/A
-----	-----

N/A	N/A
-----	-----



# TOWN OF CASTLE ROCK, COLORADO

## SCHEDULE OF CONTRIBUTIONS FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA) VOLUNTEER FIRE PENSION PLAN LAST TEN FISCAL YEARS (to be built prospectively)

	2019	2018
Actuarially determined contributions	\$ 25,867	\$ 25,867
Contributions in relation to the actuarially determined contribution *	20,440	38,075
Contribution deficiency (excess)	<u>\$ 5,427</u>	<u>\$ (12,208)</u>
Town's covered payroll	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A

\*Includes both employer and State of Colorado Supplemental Discretionary Payment for years 2015-2018. For 2019 this is the employer contribution only.

### Notes to Schedule

Actuarially determined contribution rates are calculated as of January 1 of odd number years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2017 determines the contribution amounts for 2018 and 2019.

### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

\* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Changes in Assumptions: None

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

2017	2016	2015
\$ 18,141	\$ 18,141	\$ 12,770
38,075	38,075	38,075
<u>\$ (19,934)</u>	<u>\$ (19,934)</u>	<u>\$ (25,305)</u>
N/A	N/A	N/A
N/A	N/A	N/A

# TOWN OF CASTLE ROCK, COLORADO

## SCHEDULE OF CONTRIBUTIONS FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA) STATEWIDE DEFINED BENEFIT PENSION PLAN LAST TEN FISCAL YEARS (1)

	*
	2019
Statutorily required contributions	\$ 574,390
Contributions in relation to the statutorily required contribution	574,390
Contribution deficiency (excess)	\$ -
Town's covered payroll	\$ 7,179,869
Contributions as a percentage of covered payroll	8.0%

(1) The Town implemented GASB 68 beginning in 2015. Information will be provided prospectively.

\* The amounts presented as of the current year end, December 31, 2019.

### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Valuation Date	January 1, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases*	4.0% - 14.0%
Asset Valuation Method	5-Year smoothed fair value
Cost of Living Adjustments (COLA)	0%
*Includes Inflation at	2.5%

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

There were no changes in assumptions.

2018	2017	2016	2015
\$ 596,522	\$ 530,936	\$ 505,553	\$ 476,284
596,522	530,936	505,553	476,284
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,456,522	\$ 6,636,696	\$ 6,319,413	\$ 5,953,555
8.0%	8.0%	8.0%	8.0%

TOWN OF CASTLE ROCK, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
 FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA)  
 STATEWIDE DEFINED BENEFIT PENSION PLAN  
 LAST TEN FISCAL YEARS (1)

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		*
		2019
Town's proportion of the net pension liability (asset)		1.113%
Town's proportionate share of the net pension liability (asset)	\$	1,407,329
Town's covered payroll	\$	7,456,522
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		18.874%
Plan fiduciary net position as a percentage of the total pension liability		95.235%

(1) The Town implemented GASB 68 beginning in 2015. Information will be provided prospectively.

\* The amounts presented as of the measurement date, December 31, 2018.

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2018	2017	2016	2015
1.135%	1.235%	1.228%	1.232%
\$ (1,632,323)	\$ 446,175	\$ (21,650)	\$ (1,390,185)
\$ 6,636,696	\$ 6,319,413	\$ 5,953,555	\$ 5,602,212
-24.595%	7.060%	-0.364%	-24.815%
106.339%	98.213%	100.095%	106.828%

## TOWN OF CASTLE ROCK, COLORADO

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund			
	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 42,539,341	\$ 42,683,603	\$ 43,605,036	\$ 921,433
Charges for services	2,426,822	2,426,822	2,311,109	(115,713)
Management fees	3,556,034	3,556,034	3,421,034	(135,000)
Licenses and permits	109,301	109,301	103,297	(6,004)
Fines and forfeitures	415,563	415,563	402,875	(12,688)
Investment earnings	175,334	175,334	506,788	331,454
Intergovernmental	243,862	1,274,805	1,234,840	(39,965)
Other	461,167	1,451,908	1,156,353	(295,555)
Total revenues	49,927,424	52,093,370	52,741,332	647,962
EXPENDITURES				
General government				
Town council	611,286	619,286	582,627	36,659
Town manager	1,082,510	1,390,337	1,191,385	198,952
Deputy town manager	6,839,657	6,907,746	6,273,160	634,586
Town attorney	912,280	912,280	815,890	96,390
Finance	3,792,463	3,664,316	3,416,381	247,935
Municipal court	414,811	414,811	379,144	35,667
Long-range planning	611,701	627,535	616,925	10,610
Total general government	14,264,708	14,536,311	13,275,512	1,260,799
Public Safety				
Police	14,889,641	14,966,931	14,869,204	97,727
Fire	16,131,621	16,143,583	15,618,245	525,338
Total public safety	31,021,262	31,110,514	30,487,449	623,065
Culture and recreation				
Parks and open space	4,713,758	4,743,793	4,541,604	202,189
Total culture and recreation	4,713,758	4,743,793	4,541,604	202,189
Capital outlay	541,593	8,838,104	6,806,654	2,031,450
Total expenditures	50,541,321	59,228,722	55,111,219	4,117,503
Excess (deficiency) of revenues over (under) expenditures	(613,897)	(7,135,352)	(2,369,887)	4,765,465
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	911,713	1,104,543	1,835,209	730,666
Interfund loan interest - <b>transfer in</b>	85,477	130,952	108,217	(22,735)
Transfers in	578,813	1,399,859	1,399,859	-
Interfund loan	-	(2,125,000)	(2,125,000)	-
Interfund loan principal	-	(60,395)	(44,312)	16,083
Interfund loan interest - <b>transfer out</b>	-	-	(19,688)	(19,688)
Transfers out	(496,555)	(674,364)	(675,450)	(1,086)
Total other financing sources (uses)	1,079,448	(224,405)	478,835	703,240
Net change in funds available	465,551	(7,359,757)	(1,891,052)	5,468,705
Funds available - January 1	17,105,894	22,100,128	22,100,128	-
Funds available - December 31	\$ 17,571,445	\$ 14,740,371	\$ 20,209,076	\$ 5,468,705
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Advance to other funds			730,692	
Loans to other funds			5,056,196	
Loans from other funds			(1,268,247)	
Fund balance - December 31			\$ 24,727,717	

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

Economic Development					Total General Fund	
Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)	Budget	Budgetary Actual	Variance with Final Budget Positive (Negative)
Original	Final			Final		
\$ 545,336	\$ 545,336	\$ 1,218,760	\$ 673,424	\$ 43,228,939	\$ 44,823,796	\$ 1,594,857
-	-	-	-	2,426,822	2,311,109	(115,713)
-	-	-	-	3,556,034	3,421,034	(135,000)
-	-	-	-	109,301	103,297	(6,004)
-	-	-	-	415,563	402,875	(12,688)
28,844	28,844	153,935	125,091	204,178	660,723	456,545
-	-	-	-	1,274,805	1,234,840	(39,965)
-	-	-	-	1,451,908	1,156,353	(295,555)
574,180	574,180	1,372,695	798,515	52,667,550	54,114,027	1,446,477
-	-	-	-	619,286	582,627	36,659
2,524,718	4,524,718	2,570,832	1,953,886	5,915,055	3,762,217	2,152,838
-	-	-	-	6,907,746	6,273,160	634,586
-	-	-	-	912,280	815,890	96,390
-	-	-	-	3,664,316	3,416,381	247,935
-	-	-	-	414,811	379,144	35,667
-	-	-	-	627,535	616,925	10,610
2,524,718	4,524,718	2,570,832	1,953,886	19,061,029	15,846,344	3,214,685
-	-	-	-	14,966,931	14,869,204	97,727
-	-	-	-	16,143,583	15,618,245	525,338
-	-	-	-	31,110,514	30,487,449	623,065
-	-	-	-	4,743,793	4,541,604	202,189
-	-	-	-	4,743,793	4,541,604	202,189
-	-	-	-	8,838,104	6,806,654	2,031,450
2,524,718	4,524,718	2,570,832	1,953,886	63,753,440	57,682,051	6,071,389
(1,950,538)	(3,950,538)	(1,198,137)	2,752,401	(11,085,890)	(3,568,024)	7,517,866
67,161	67,161	304,477	237,316	1,171,704	2,139,686	967,982
8,059	8,059	4,567	(3,492)	139,011	112,784	(26,227)
-	-	-	-	1,399,859	1,399,859	-
-	-	-	-	(2,125,000)	(2,125,000)	-
-	-	-	-	(60,395)	(44,312)	16,083
-	-	-	-	-	(19,688)	(19,688)
-	-	-	-	(674,364)	(675,450)	(1,086)
75,220	75,220	309,044	233,824	(149,185)	787,879	937,064
(1,875,318)	(3,875,318)	(889,093)	2,986,225	(11,235,075)	(2,780,145)	8,454,930
2,875,318	5,657,224	5,657,224	-	27,757,352	27,757,352	-
\$ 1,000,000	\$ 1,781,906	\$ 4,768,131	\$ 2,986,225	\$ 16,522,277	\$ 24,977,207	\$ 8,454,930
-	-	-	-	-	730,692	-
-	-	51,072	-	-	5,107,268	-
-	-	-	-	-	(1,268,247)	-
-	-	\$ 4,819,203	-	-	\$ 29,546,920	-



TOWN OF CASTLE ROCK, COLORADO

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Sales taxes	\$ 14,531,203	\$ 14,531,203	\$ 14,618,800	\$ 87,597
Building use taxes	2,094,548	2,094,548	2,942,867	848,319
Vehicle use taxes	2,951,148	2,951,148	3,020,806	69,658
Charges for services	-	-	123	123
Investment earnings	32,016	32,016	341,738	309,722
Intergovernmental	4,355,379	4,808,480	4,984,079	175,599
Other	7,200	252,200	336,128	83,928
Total revenues	23,971,494	24,669,595	26,244,541	1,574,946
EXPENDITURES				
Administration	354,037	354,774	444,656	(89,882)
Street operations	9,971,354	9,557,606	8,954,685	602,921
Traffic operations	3,287,898	3,584,401	3,025,434	558,967
Public transit	92,536	92,536	78,035	14,501
Engineering	1,939,196	2,084,176	1,961,571	122,605
Street improvement program	8,190,000	10,271,125	10,107,160	163,965
Total public works	23,835,021	25,944,618	24,571,541	1,373,077
Capital outlay	1,804,000	2,768,994	1,711,378	1,057,616
DEBT SERVICE				
Principal	595,000	595,000	595,000	-
Interest	285,775	285,775	285,775	-
Agency fees	-	-	300	(300)
Total debt service	880,775	880,775	881,075	(300)
Total expenditures	26,519,796	29,594,387	27,163,994	2,430,393
Excess (deficiency) of revenues over (under) expenditures	(2,548,302)	(4,924,792)	(919,453)	4,005,339
OTHER FINANCING SOURCES (USES)				
Transfers out	(578,813)	(2,578,813)	(2,578,813)	-
Total other financing sources (uses)	(578,813)	(2,578,813)	(2,578,813)	-
Net change in funds available	(3,127,115)	(7,503,605)	(3,498,266)	4,005,339
Funds available - January 1	7,250,354	11,938,055	11,938,055	-
Funds available - December 31	\$ 4,123,239	\$ 4,434,450	\$ 8,439,789	\$ 4,005,339

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2019**

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**1. Budgets and Budgetary Accounting**

Annual appropriations are adopted for all funds.

For the governmental funds, the Town budgets on a basis consistent with generally accepted accounting principles (GAAP), except that interfund loans are treated as revenues of the receiving fund and expenditures of the loaning fund in the year that the loan is made. Principal payments of interfund loans are treated as expenditures of the paying fund and revenues of the receiving fund.

For proprietary funds, the Town budgets on a basis consistent with GAAP except as follows: (1) purchases of capital assets are reported expenditures (capital outlay), (2) debt service principal payments are treated as budgetary expenditures, (3) proceeds from bond issues are treated as revenues, (4) bond issue and discount costs are treated as expenditures of the period, (5) amortization and depreciation of capital assets are not budgeted and (6) interfund loans are treated as revenues of the receiving fund and expenditures of the loaning fund in the year that the loan is made. Principal payments of interfund loans are treated as expenditures of the paying fund and revenues of the receiving fund.

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

(a) Prior to November 1, the Town Manager submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.

(b) Public hearings are conducted at special Town Council Meetings to obtain taxpayer comments.

(c) The Town's mill levy is formally certified to the Douglas County Treasurer prior to December 15, based on the budget.

(d) Prior to December 31, the budget is legally enacted through passage of an ordinance. Adoption of the budget ordinance constitutes appropriations of amounts specified therein as expenditures from the funds indicated. If during the year, the Town Manager certifies that there are revenues available for appropriation in excess of those estimated in the budget, the Council may, by ordinance, make supplemental appropriations for the year up to the amount of such excess. If during the year, the Town Manager determines that the revenues available will be insufficient to meet the amount appropriated, the Council may by ordinance reduce one or more appropriations. At any time during the year, the Town Manager may transfer part or all of any unencumbered appropriation balance amount between departments within a fund.

(e) Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations may not legally exceed estimated revenues and budgetary fund balances (reserves) estimated as available.

(f) All appropriations lapse at year-end.



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## *Supplemental Information*

*Combining and Individual Fund Statements and Schedules*

## GENERAL FUND

### **General Fund**

The General Fund is the primary operating fund of the Town. This fund accounts for all financial resources of the Town except those required to be accounted for in another fund. Included in the General Fund is Economic Development, which is a sub-fund of the General Fund. Economic Development is used to facilitate expansion of the tax base, through primary job creation and improved local economy

TOWN OF CASTLE ROCK, COLORADO

GENERAL FUND

COMBINING BALANCE SHEET

DECEMBER 31, 2019

	General Fund	Economic Development Fund	Total General Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,105,826	\$ 577,388	\$ 10,683,214
Investments	11,320,476	4,179,638	15,500,114
Restricted cash and investments	-	900,000	900,000
Receivables			
Property taxes	1,353,067	-	1,353,067
Sales taxes	4,352,649	-	4,352,649
Accounts, net of allowance of \$198,915	1,644,797	19,748	1,664,545
Prepaid items	498,669	-	498,669
Advance to other funds	730,692	-	730,692
Loans to other funds	5,056,196	51,072	5,107,268
Total assets	<u>\$ 35,062,372</u>	<u>\$ 5,727,846</u>	<u>\$ 40,790,218</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 3,595,232	\$ 8,643	\$ 3,603,875
Accounts payable from restricted assets	-	900,000	900,000
Retainage payable	86,401	-	86,401
Deposits	3,305,578	-	3,305,578
Unearned revenues	713,523	-	713,523
Loans from other funds	1,268,247	-	1,268,247
Total liabilities	<u>8,968,981</u>	<u>908,643</u>	<u>9,877,624</u>
<b>Deferred inflows of resources</b>			
Property taxes	1,353,067	-	1,353,067
Unavailable fund resources	12,607	-	12,607
Total liabilities and deferred inflows of resources	<u>10,334,655</u>	<u>908,643</u>	<u>11,243,298</u>
<b>Fund balances (deficits)</b>			
Nonspendable	4,540,720	51,072	4,591,792
Restricted	2,052,460	-	2,052,460
Committed	396,714	4,768,131	5,164,845
Assigned	2,145,008	-	2,145,008
Unassigned	15,592,815	-	15,592,815
Total fund balances	<u>24,727,717</u>	<u>4,819,203</u>	<u>29,546,920</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,062,372</u>	<u>\$ 5,727,846</u>	<u>\$ 40,790,218</u>

TOWN OF CASTLE ROCK, COLORADO

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR  
THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Economic Development Fund	Total General Funds
REVENUES			
Taxes	\$ 43,605,036	\$ 1,218,760	\$ 44,823,796
Charges for services	2,311,109	-	2,311,109
Management fees	3,421,034	-	3,421,034
Licenses and permits	103,297	-	103,297
Fines and forfeitures	402,875	-	402,875
Investment earnings	506,788	153,935	660,723
Intergovernmental	1,234,840	-	1,234,840
Other	1,156,353	-	1,156,353
Total revenues	52,741,332	1,372,695	54,114,027
EXPENDITURES			
Current			
General government	13,275,512	2,570,832	15,846,344
Public safety	30,487,449	-	30,487,449
Culture and recreation	4,541,604	-	4,541,604
Capital outlay	6,806,654	-	6,806,654
Total expenditures	55,111,219	2,570,832	57,682,051
Excess (deficiency) of revenues over (under) expenditures	(2,369,887)	(1,198,137)	(3,568,024)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,508,076	4,567	1,512,643
Transfers out	(695,138)	-	(695,138)
Total other financing sources (uses)	812,938	4,567	817,505
Net change in fund balance	(1,556,949)	(1,193,570)	(2,750,519)
Fund balances - January 1	26,284,666	6,012,773	32,297,439
Fund balances - December 31	\$ 24,727,717	\$ 4,819,203	\$ 29,546,920

## OTHER GOVERNMENTAL FUNDS

The statements that follow combine the non-major governmental funds as “other governmental funds”. These totals are comprised of non-major special revenue funds and non-major capital project funds, which are aggregated into the “Other Governmental Funds” column. Also included are major capital project funds Schedule of Revenues, Expenditures and Changes in Funds Available Budget and Actual (Non-GAAP Budgetary Basis).

### **Non-major Special Revenue Funds**

Special revenue funds account for revenues from specific sources that are legally or by management decision required to be used for particular activities. This column combines all non-major special revenue funds.

### **Major Capital Project Funds**

Capital project funds account for financial resources used for the construction and acquisition of major capital projects such as streets and parks.

### **Non-major Capital Project Funds**

Capital project funds account for financial resources used for the construction and acquisition of major capital projects such as information systems and Town facilities. This column aggregates all non-major capital project funds of the Town.



TOWN OF CASTLE ROCK, COLORADO  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2019

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,483,492	\$ 2,109,903	\$ 5,593,395
Investments	47,957	4,634,865	4,682,822
Cash held in escrow	3,135,480	-	3,135,480
Accounts receivable	20,661	18,849	39,510
Prepaid items	2,669	-	2,669
Loans to other funds	-	200,694	200,694
Total assets	<u>\$ 6,690,259</u>	<u>\$ 6,964,311</u>	<u>\$ 13,654,570</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 78,137	\$ 78,248	\$ 156,385
Retainage payable	-	6,551	6,551
Unearned revenues	3,175,480	-	3,175,480
Advance from other funds	-	730,692	730,692
Loans from other funds	1,416,483	3,390,664	4,807,147
Total liabilities	<u>4,670,100</u>	<u>4,206,155</u>	<u>8,876,255</u>
Fund balances (deficits)			
Nonspendable	2,669	-	2,669
Restricted	522,798	2,834,265	3,357,063
Committed	1,517,468	2,542,845	4,060,313
Unassigned	(22,776)	(2,618,954)	(2,641,730)
Total fund balances (deficits)	<u>2,020,159</u>	<u>2,758,156</u>	<u>4,778,315</u>
Total liabilities and fund balances	<u>\$ 6,690,259</u>	<u>\$ 6,964,311</u>	<u>\$ 13,654,570</u>

TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
REVENUES			
Taxes	\$ 1,639,990	\$ 1,715,785	\$ 3,355,775
Charges for services	253,187	-	253,187
Development impact fees	-	4,680,424	4,680,424
Licenses and permits	169,190	-	169,190
Investment earnings	8,718	177,059	185,777
Intergovernmental	580,614	-	580,614
Contributions and donations	302,870	-	302,870
Other	9,031	7,429	16,460
Total revenues	2,963,600	6,580,697	9,544,297
EXPENDITURES			
General government	93,633	473,963	567,596
Public safety	-	3,285	3,285
Culture and recreation	813,008	109,500	922,508
Capital Outlay	197,546	3,882,745	4,080,291
Debt Service			
Principal	2,250,000	375,000	2,625,000
Interest	55,246	334,463	389,709
Agency fees	-	2,000	2,000
Total expenditures	3,409,433	5,180,956	8,590,389
Excess (deficiency) of revenues over (under) expenditures	(445,833)	1,399,741	953,908
OTHER FINANCING SOURCES (USES)			
Transfers in	175,000	489,871	664,871
Transfers out	(33,426)	(1,607,954)	(1,641,380)
Total other financing sources (uses)	141,574	(1,118,083)	(976,509)
Net change in funds available	(304,259)	281,658	(22,601)
Fund balances - January 1	2,324,418	2,476,498	4,800,916
Fund balances - December 31	\$ 2,020,159	\$ 2,758,156	\$ 4,778,315

## NON-MAJOR SPECIAL REVENUE FUNDS

Special revenue funds account for revenues from specific sources that are legally or by management decision required to be used for specific activities.

### **Conservation Trust Fund**

The Conservation Trust Fund accounts for lottery proceeds that are received directly from the State of Colorado or received from Douglas County through a share-back agreement and for fees charged for the use of sports and multi-purpose fields. The monies collected are used for the development and renovation of qualifying parks, recreation facilities and parks infrastructure.

### **Philip S. Miller Trust Fund**

This fund accounts for donations made to the Town from the Philip S. Miller Trust. These funds are used to finance community service programs including financial support for the senior center, the museum, and the local chamber of commerce.

### **Public Art Fund**

This fund is supported by the Philip S. Miller Trust Fund and accounts for public art endeavors within the Town of Castle Rock; it is managed by the Town Council.

### **Police Forfeiture Fund**

This fund accounts for funds received and expended as the result of State or Federal cooperative efforts. Funds are only expended if they are received.

### **Downtown Development Authority TIF Fund**

The Downtown Development Authority TIF Fund (DDA TIF Fund) was established in 2015. The tax increment is the sales tax amount received in the Downtown Castle Rock area that is greater than the established base that was set in 2008. This revenue increment is eligible to be placed in the DDA TIF Fund and is allowed for certain, Council-approved uses. The TIF mechanism is triggered by debt obligated by the Town on behalf of the Downtown Development Authority, which then, the funds could be used to pay off the debt for specific Council approved downtown projects.

### **Castle Rock Urban Renewal Authority**

The Castle Rock Urban Renewal Authority is a blended component unit.



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TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2019

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
ASSETS				
Cash and cash equivalents	\$ 720,529	\$ 283,217	\$ 54,404	\$ 21,855
Investments	5,206	23,597	19,154	-
Cash held in escrow	3,135,480	-	-	-
Accounts receivable	20,131	449	81	-
Prepaid items	1,289	1,380	-	-
Total assets	<u>\$ 3,882,635</u>	<u>\$ 308,643</u>	<u>\$ 73,639</u>	<u>\$ 21,855</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 3,981	\$ 3,809	\$ 7,500	\$ -
Unearned revenues	3,135,480	-	40,000	-
Loans from other funds	-	-	-	-
Total liabilities	<u>3,139,461</u>	<u>3,809</u>	<u>47,500</u>	<u>-</u>
Fund balances				
Nonspendable	1,289	1,380	-	-
Restricted	500,943	-	-	21,855
Committed	240,942	303,454	26,139	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>743,174</u>	<u>304,834</u>	<u>26,139</u>	<u>21,855</u>
Total liabilities and fund balances	<u>\$ 3,882,635</u>	<u>\$ 308,643</u>	<u>\$ 73,639</u>	<u>\$ 21,855</u>

<u>Downtown Development Authority TIF</u>	<u>Castle Rock Urban Renewal Authority</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 2,375,191	\$ 28,296	\$ 3,483,492
-	-	47,957
-	-	3,135,480
-	-	20,661
-	-	2,669
<u>\$ 2,375,191</u>	<u>\$ 28,296</u>	<u>\$ 6,690,259</u>
\$ 62,847	\$ -	\$ 78,137
-	-	3,175,480
<u>1,365,411</u>	<u>51,072</u>	<u>1,416,483</u>
<u>1,428,258</u>	<u>51,072</u>	<u>4,670,100</u>
-	-	2,669
-	-	522,798
946,933	-	1,517,468
-	(22,776)	(22,776)
<u>946,933</u>	<u>(22,776)</u>	<u>2,020,159</u>
<u>\$ 2,375,191</u>	<u>\$ 28,296</u>	<u>\$ 6,690,259</u>

TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
REVENUES				
Licenses and permits	\$ 169,190	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Charges for services	-	253,187	-	-
Investment earnings	4,084	2,549	1,831	254
Intergovernmental	580,614	-	-	-
Contributions and donations	22,870	255,000	25,000	-
Other	112	360	9	-
Total revenues	776,870	511,096	26,840	254
EXPENDITURES				
General government	-	-	-	-
Culture and recreation	194,478	591,950	26,580	-
Capital outlay	147,546	-	50,000	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	342,024	591,950	76,580	-
Excess (deficiency) of revenues over (under) expenditures	434,846	(80,854)	(49,740)	254
OTHER FINANCING SOURCES (USES)				
Transfers in	-	175,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	175,000	-	-
Net change in funds available	434,846	94,146	(49,740)	254
Fund balance - January 1	308,328	210,688	75,879	21,601
Fund balances (deficits) - December 31	\$ 743,174	\$ 304,834	\$ 26,139	\$ 21,855

<u>Downtown Development Authority TIF</u>	<u>Castle Rock Urban Renewal Authority</u>	<u>Total Non-major Special Revenue Funds</u>
\$ -	\$ -	\$ 169,190
1,639,990	-	1,639,990
-	-	253,187
-	-	8,718
-	-	580,614
-	-	302,870
8,550	-	9,031
<u>1,648,540</u>	<u>-</u>	<u>2,963,600</u>
93,215	418	93,633
-	-	813,008
-	-	197,546
2,250,000	-	2,250,000
55,246	-	55,246
<u>2,398,461</u>	<u>418</u>	<u>3,409,433</u>
<u>(749,921)</u>	<u>(418)</u>	<u>(445,833)</u>
-	-	175,000
<u>(33,426)</u>	<u>-</u>	<u>(33,426)</u>
<u>(33,426)</u>	<u>-</u>	<u>141,574</u>
(783,347)	(418)	(304,259)
<u>1,730,280</u>	<u>(22,358)</u>	<u>2,324,418</u>
<u>\$ 946,933</u>	<u>\$ (22,776)</u>	<u>\$ 2,020,159</u>



TOWN OF CASTLE ROCK, COLORADO

CONSERVATION TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Licenses and permits	\$ 159,135	\$ 159,135	\$ 169,190	\$ 10,055
Investment earnings	1,910	1,910	4,084	2,174
Intergovernmental	860,889	860,889	580,614	(280,275)
Contributions and donations	-	-	22,870	22,870
Other	-	-	112	112
Total revenues	1,021,934	1,021,934	776,870	(245,064)
EXPENDITURES				
Culture and recreation	208,812	238,692	194,478	44,214
Capital Outlay	600,000	697,798	147,546	550,252
Total expenditures	808,812	936,490	342,024	594,466
Excess (deficiency) of revenues over (under) expenditures	213,122	85,444	434,846	349,402
Net change in funds available	213,122	85,444	434,846	349,402
Funds available - January 1	602,040	308,328	308,328	-
Funds available - December 31	\$ 815,162	\$ 393,772	\$ 743,174	\$ 349,402

TOWN OF CASTLE ROCK, COLORADO

PHILIP S. MILLER TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 201,080	\$ 201,080	\$ 253,187	\$ 52,107
Investment earnings	1,045	1,045	2,549	1,504
Contributions and donations	270,000	270,000	255,000	(15,000)
Other	-	-	360	360
Total revenues	472,125	472,125	511,096	38,971
EXPENDITURES				
Culture and recreation	645,915	645,915	591,950	53,965
Total expenditures	645,915	645,915	591,950	53,965
Excess (deficiency) of revenues over (under) expenditures	(173,790)	(173,790)	(80,854)	92,936
OTHER FINANCING SOURCES (USES)				
Transfers in	175,000	175,000	175,000	-
Total other financing sources (uses)	175,000	175,000	175,000	-
Net change in funds available	1,210	1,210	94,146	92,936
Funds available - January 1	251,343	210,688	210,688	-
Funds available - December 31	\$ 252,553	\$ 211,898	\$ 304,834	\$ 92,936

TOWN OF CASTLE ROCK, COLORADO

PUBLIC ART FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 401	\$ 401	\$ 1,831	\$ 1,430
Contributions and donations	25,000	25,000	25,000	-
Other	-	-	9	9
Total revenues	25,401	25,401	26,840	1,439
EXPENDITURES				
Culture and recreation	25,000	25,000	26,580	(1,580)
Capital outlay	-	55,000	50,000	5,000
Total expenditures	25,000	80,000	76,580	3,420
Excess (deficiency) of revenues over (under) expenditures	401	(54,599)	(49,740)	4,859
Net change in funds available	401	(54,599)	(49,740)	4,859
Funds available - January 1	34,512	75,879	75,879	-
Funds available - December 31	\$ 34,913	\$ 21,280	\$ 26,139	\$ 4,859

TOWN OF CASTLE ROCK, COLORADO

POLICE FORFEITURE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 135	\$ 135	\$ 254	\$ 119
Total revenues	135	135	254	119
Excess (deficiency) of revenues over (under) expenditures	135	135	254	119
Net change in funds available	135	135	254	119
Funds available - January 1	21,725	21,601	21,601	-
Funds available - December 31	\$ 21,860	\$ 21,736	\$ 21,855	\$ 119

## TOWN OF CASTLE ROCK, COLORADO

## DOWNTOWN DEVELOPMENT AUTHORITY TIF FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,198,620	\$ 1,509,029	\$ 1,639,990	\$ 130,961
Investment earnings	2,067	2,067	-	(2,067)
Other	9,000	9,000	8,550	(450)
Total revenues	1,209,687	1,520,096	1,648,540	128,444
EXPENDITURES				
General government	177,844	177,844	93,215	84,629
Capital outlay	1,276,146	2,089,725	-	2,089,725
Total expenditures	1,453,990	2,267,569	93,215	2,174,354
DEBT SERVICE				
Principal	125,000	2,250,000	2,250,000	-
Interest	104,481	104,481	55,246	49,235
Total debt service	229,481	2,354,481	2,305,246	49,235
Total expenditures	1,683,471	4,622,050	2,398,461	2,223,589
Excess (deficiency) of revenues over (under) expenditures	(473,784)	(3,101,954)	(749,921)	2,352,033
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	2,125,000	2,125,000	-
Interfund loan principal	(109,837)	(302,667)	(1,270,650)	(967,983)
Interfund loan interest	(14,178)	(59,653)	(33,426)	26,227
Total other financing sources (uses)	(124,015)	1,762,680	820,924	(941,756)
Net change in funds available	(597,799)	(1,339,274)	71,003	1,410,277
Funds available - January 1	1,883,176	2,241,340	2,241,340	-
Funds available - December 31	<u>\$ 1,285,377</u>	<u>\$ 902,066</u>	<u>\$ 2,312,343</u>	<u>\$ 1,410,277</u>
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(1,365,411)	
Fund balance - December 31			<u>\$ 946,933</u>	

TOWN OF CASTLE ROCK, COLORADO

CASTLE ROCK URBAN RENEWAL AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other	\$ 35,500	\$ 35,500	\$ -	\$ (35,500)
Total revenues	35,500	35,500	-	(35,500)
OPERATING EXPENDITURES				
General government	59,500	59,500	418	59,082
Total operating expenditures	59,500	59,500	418	59,082
Total expenditures	59,500	59,500	418	59,082
Excess (deficiency) of revenues over (under) expenditures	(24,000)	(24,000)	(418)	23,582
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	24,000	24,000	-	(24,000)
Total other financing sources (uses)	24,000	24,000	-	(24,000)
Net change in funds available	-	-	(418)	(418)
Funds available - January 1	24,374	28,714	28,714	-
Funds available - December 31	<u>\$ 24,374</u>	<u>\$ 28,714</u>	\$ 28,296	<u>\$ (418)</u>
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(51,072)	
Fund deficit - December 31			<u>\$ (22,776)</u>	



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## MAJOR CAPITAL PROJECT FUND

Capital project funds account for financial resources used to construct and acquire all major capital projects such as parks and town facilities except for those capital projects that are required to be accounted for in an enterprise fund.

### **Transportation Capital Projects Fund**

The Transportation Capital Projects fund accounts for the resources and expenditures for the construction of new transportation projects which accommodate the growth in the Castle Rock area.



TOWN OF CASTLE ROCK, COLORADO

TRANSPORTATION CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Building use taxes	\$ 1,887,921	\$ 1,887,921	\$ 2,203,350	\$ 315,429
Development impact fees	5,813,097	5,813,097	6,473,378	660,281
Investment earnings	34,871	34,871	289,241	254,370
Intergovernmental	-	1,255,637	1,450,906	195,269
Other	-	2,132,000	295	(2,131,705)
Total revenues	7,735,889	11,123,526	10,417,170	(706,356)
EXPENDITURES				
Public works	-	-	6,205	(6,205)
Capital Outlay	6,282,500	23,260,702	13,251,513	10,009,189
DEBT SERVICE				
Principal	500,000	500,000	500,000	-
Interest	852,163	852,163	852,163	-
Agency fees	-	-	300	(300)
Total debt service	1,352,163	1,352,163	1,352,463	(300)
Total expenditures	7,634,663	24,612,865	14,610,181	10,002,684
Excess (deficiency) of revenues over (under) expenditures	101,226	(13,489,339)	(4,193,011)	9,296,328
OTHER FINANCING SOURCES (USES)				
Transfers in	974,110	3,086,960	3,086,963	3
Transfers out	(60,000)	(60,000)	(55,870)	4,130
Total other financing sources (uses)	914,110	3,026,960	3,031,093	4,133
Net change in funds available	1,015,336	(10,462,379)	(1,161,918)	9,300,461
Funds available - January 1	2,096,725	12,637,254	12,637,254	-
Funds available - December 31	\$ 3,112,061	\$ 2,174,875	\$ 11,475,336	\$ 9,300,461

The notes to the required supplementary information are an integral part of the required supplementary information schedules.



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## NON-MAJOR CAPITAL PROJECT FUNDS

Capital project funds account for financial resources used to construct and acquire all major capital projects such as parks and town facilities except for those capital projects that are required to be accounted for in an enterprise fund.

### **Parks and Recreation Capital Fund**

The Parks and Recreation Capital Fund accounted for resources and expenditures for the construction, expansion and improvement of recreation facilities and other capital needs related to recreational services. The primary source of revenue in this fund is from development impact fees, which are collected at the time a building permit is issued.

### **Municipal Facilities Capital Fund**

The Municipal Facilities Capital Fund accounts for resources and expenditures for the construction, expansion and improvement of Town facilities. The primary source of revenue in this fund is from development impact fees that are collected at the time a building permit is issued. Certain projects in this fund were financed through a loan from the General Fund.

### **Fire Capital Fund**

The Fire Capital Fund accounts for resources and expenditures for the construction, expansion and improvement of fire facilities and other capital needs of the Fire Department. The primary source of revenue in this fund is from development impact fees, which are collected at the time a building permit is issued.

### **Police Capital Fund**

The Police Capital Fund accounts for resources and expenditures for the construction, expansion and improvement of police facilities and to provide for other capital needs of the Police Department. The primary source of revenue in this fund is from development impact fees that are collected at the time a building permit is issued. Certain projects in this fund were financed through an interfund loan from the General Fund.

### **General Long-Term Planning Fund**

The General Long-Term Planning Fund establishes a source to prioritize and perform needed repairs, improvements and replacement of Town facilities, technology, and infrastructure. The primary source of revenue in this fund is from residential building use tax.

TOWN OF CASTLE ROCK, COLORADO  
NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2019

	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long-Term Planning	Total Non-major Capital Funds
ASSETS						
Cash and cash equivalents	\$ 94,395	\$ 119,113	\$ 118,245	\$ 64,531	\$ 1,713,619	\$ 2,109,903
Investments	1,991,139	565,394	1,092,119	76,971	909,242	4,634,865
Accounts receivable	7,477	2,191	4,109	289	4,783	18,849
Loans to other funds	-	200,694	-	-	-	200,694
Total assets	<u>\$ 2,093,011</u>	<u>\$ 887,392</u>	<u>\$ 1,214,473</u>	<u>\$ 141,791</u>	<u>\$ 2,627,644</u>	<u>\$ 6,964,311</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 78,248	\$ 78,248
Retainage payable	-	-	-	-	6,551	6,551
Unearned revenues	-	-	-	-	-	-
Advance from other funds	-	146,138	292,277	292,277	-	730,692
Loans from other funds	-	-	2,435,190	955,474	-	3,390,664
Total liabilities	<u>-</u>	<u>146,138</u>	<u>2,727,467</u>	<u>1,247,751</u>	<u>84,799</u>	<u>4,206,155</u>
Fund balances (deficits)						
Restricted	2,093,011	741,254	-	-	-	2,834,265
Committed	-	-	-	-	2,542,845	2,542,845
Unassigned	-	-	(1,512,994)	(1,105,960)	-	(2,618,954)
Total fund balances (deficits)	<u>2,093,011</u>	<u>741,254</u>	<u>(1,512,994)</u>	<u>(1,105,960)</u>	<u>2,542,845</u>	<u>2,758,156</u>
Total liabilities and fund balances	<u>\$ 2,093,011</u>	<u>\$ 887,392</u>	<u>\$ 1,214,473</u>	<u>\$ 141,791</u>	<u>\$ 2,627,644</u>	<u>\$ 6,964,311</u>

## TOWN OF CASTLE ROCK, COLORADO

## NON-MAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long-Term Planning	Total Non-major Capital Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,715,785	\$ 1,715,785
Development impact fees	3,013,176	294,498	897,820	474,930	-	4,680,424
Investment earnings	69,303	34,780	38,945	3,980	30,051	177,059
Other	-	69	4,324	1,651	1,385	7,429
Total revenues	<u>3,082,479</u>	<u>329,347</u>	<u>941,089</u>	<u>480,561</u>	<u>1,747,221</u>	<u>6,580,697</u>
EXPENDITURES						
General government	-	1,466	-	-	472,497	473,963
Public safety	-	-	3,285	-	-	3,285
Culture and recreation	109,500	-	-	-	-	109,500
Capital outlay	2,656,821	627,238	53,844	-	544,842	3,882,745
Debt Service						
Principal	375,000	-	-	-	-	375,000
Interest	334,463	-	-	-	-	334,463
Agency fees	2,000	-	-	-	-	2,000
Total expenditures	<u>3,477,784</u>	<u>628,704</u>	<u>57,129</u>	<u>-</u>	<u>1,017,339</u>	<u>5,180,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(395,305)</u>	<u>(299,357)</u>	<u>883,960</u>	<u>480,561</u>	<u>729,882</u>	<u>1,399,741</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	177,809	3,362	-	-	308,700	489,871
Transfers out	<u>(256,396)</u>	<u>(163,743)</u>	<u>(411,046)</u>	<u>(553,048)</u>	<u>(223,721)</u>	<u>(1,607,954)</u>
Total other financing sources (uses)	<u>(78,587)</u>	<u>(160,381)</u>	<u>(411,046)</u>	<u>(553,048)</u>	<u>84,979</u>	<u>(1,118,083)</u>
Net change in funds available	(473,892)	(459,738)	472,914	(72,487)	814,861	281,658
Fund balances (deficits) - January 1	<u>2,566,903</u>	<u>1,200,992</u>	<u>(1,985,908)</u>	<u>(1,033,473)</u>	<u>1,727,984</u>	<u>2,476,498</u>
Fund balances (deficits) - December 31	<u>\$ 2,093,011</u>	<u>\$ 741,254</u>	<u>\$ (1,512,994)</u>	<u>\$ (1,105,960)</u>	<u>\$ 2,542,845</u>	<u>\$ 2,758,156</u>

TOWN OF CASTLE ROCK, COLORADO

PARKS AND RECREATION CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Development impact fees	\$ 3,294,520	\$ 3,294,520	\$ 3,013,176	\$ (281,344)
Investment earnings	17,245	17,245	69,303	52,058
Contributions and donations	20,000	20,000	-	(20,000)
Total revenues	3,331,765	3,331,765	3,082,479	(249,286)
EXPENDITURES				
Culture and recreation	159,750	159,750	109,500	50,250
Capital outlay	200,000	3,292,214	2,656,821	635,393
Total expenditures	359,750	3,451,964	2,766,321	685,643
DEBT SERVICE				
COP principal	375,000	375,000	375,000	-
COP interest	335,063	335,063	334,463	600
Agency and other fees	2,000	2,000	2,000	-
Total debt service	712,063	712,063	711,463	600
Total expenditures	1,071,813	4,164,027	3,477,784	686,243
Excess (deficiency) of revenues over (under) expenditures	2,259,952	(832,262)	(395,305)	436,957
OTHER FINANCING SOURCES (USES)				
Transfers in	-	177,809	177,809	-
Transfers out	(220,366)	(245,895)	(245,896)	(1)
Interfund loan principal	(700,000)	(700,000)	(700,000)	-
Interfund loan interest - transfer out	(10,500)	(10,500)	(10,500)	-
Total other financing sources (uses)	(930,866)	(778,586)	(778,587)	(1)
Net change in funds available	1,329,086	(1,610,848)	(1,173,892)	436,956
Funds available - January 1	695,655	3,266,903	3,266,903	-
Funds available - December 31	\$ 2,024,741	\$ 1,656,055	\$ 2,093,011	\$ 436,956

TOWN OF CASTLE ROCK, COLORADO

MUNICIPAL FACILITIES CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Development impact fees	\$ 312,288	\$ 312,288	\$ 294,498	\$ (17,790)
Investment earnings	1,277	1,277	34,780	33,503
Other	-	-	69	69
Total revenues	313,565	313,565	329,347	15,782
EXPENDITURES				
General government	-	-	1,466	(1,466)
Capital Outlay	-	903,767	627,238	276,529
Total expenditures	-	903,767	628,704	275,063
Excess (deficiency) of revenues over (under) expenditures	313,565	(590,202)	(299,357)	290,845
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	23,447	23,447	23,447	-
Interfund loan interest - <b>transfer in</b>	3,362	3,362	3,362	-
Interfund loan principal	(47,280)	(47,280)	(47,280)	-
Interfund loan interest - <b>transfer out</b>	(2,901)	(2,901)	(2,901)	-
Transfers out	(47,906)	(160,842)	(160,842)	-
Total other financing sources (uses)	(71,278)	(184,214)	(184,214)	-
Net change in funds available	242,287	(774,416)	(483,571)	290,845
Funds available - January 1	253,952	1,170,269	1,170,269	-
Funds available - December 31	<u>\$ 496,239</u>	<u>\$ 395,853</u>	<u>\$ 686,698</u>	<u>\$ 290,845</u>
RECONCILIATION OF FUNDS				
AVAILABLE TO GAAP FUND BALANCE				
Advance from other funds			(146,138)	
Loans to other funds			200,694	
Fund balance - December 31			<u>\$ 741,254</u>	

TOWN OF CASTLE ROCK, COLORADO

FIRE CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Development impact fees	\$ 974,332	\$ 974,332	\$ 897,820	\$ (76,512)
Investment earnings	2,424	2,424	38,945	36,521
Other	-	-	4,324	4,324
Total revenues	976,756	976,756	941,089	(35,667)
EXPENDITURES				
Public safety	-	-	3,285	(3,285)
Capital Outlay	75,000	155,000	53,844	101,156
Total expenditures	75,000	155,000	57,129	97,871
Excess (deficiency) of revenues over (under) expenditures	901,756	821,756	883,960	62,204
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	(379,067)	(379,067)	(379,067)	-
Interfund loan interest - <b>transfer out</b>	(46,598)	(46,598)	(46,598)	-
Transfers out	(134,136)	(364,448)	(364,448)	-
Total other financing sources (uses)	(559,801)	(790,113)	(790,113)	-
Net change in funds available	341,955	31,643	93,847	62,204
Funds available - January 1	382,338	1,120,626	1,120,626	-
Funds available - December 31	\$ 724,293	\$ 1,152,269	\$ 1,214,473	\$ 62,204
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(2,435,190)	
Advance from other funds			(292,277)	
Fund balance - December 31			\$ (1,512,994)	



TOWN OF CASTLE ROCK, COLORADO

POLICE CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Development impact fees	\$ 479,672	\$ 479,672	\$ 474,930	\$ (4,742)
Investment earnings	1,886	1,886	3,980	2,094
Other	-	-	1,651	1,651
Total revenues	481,558	481,558	480,561	(997)
Excess (deficiency) of revenues over (under) expenditures	481,558	481,558	480,561	(997)
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	(166,137)	(166,137)	(166,137)	-
Interfund loan interest - <b>transfer out</b>	(21,209)	(21,209)	(21,209)	-
Transfers out	(296,848)	(589,839)	(531,839)	58,000
Total other financing sources (uses)	(484,194)	(777,185)	(719,185)	58,000
Net change in funds available	(2,636)	(295,627)	(238,624)	57,003
Funds available - January 1	387,907	380,415	380,415	-
Funds available - December 31	<u>\$ 385,271</u>	<u>\$ 84,788</u>	141,791	<u>\$ 57,003</u>
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(955,474)	
Advance from other funds			(292,277)	
Fund deficit - December 31			<u>\$ (1,105,960)</u>	

TOWN OF CASTLE ROCK, COLORADO

GENERAL LONG-TERM PLANNING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Building use taxes	\$ 1,465,433	\$ 1,465,433	\$ 1,715,785	\$ 250,352
Investment earnings	26,282	26,282	30,051	3,769
Other	-	-	1,385	1,385
Total revenues	1,491,715	1,491,715	1,747,221	255,506
EXPENDITURES				
General government	833,757	964,787	472,497	492,290
Capital outlay	325,000	618,926	544,842	74,084
Total expenditures	1,158,757	1,583,713	1,017,339	566,374
Excess (deficiency) of revenues over (under) expenditures	332,958	(91,998)	729,882	821,880
OTHER FINANCING SOURCES (USES)				
Transfers in	308,700	308,700	308,700	-
Transfers out	-	(223,721)	(223,721)	-
Total other financing sources (uses)	308,700	84,979	84,979	-
Net change in funds available	641,658	(7,019)	814,861	821,880
Funds available - January 1	1,122,124	1,727,984	1,727,984	-
Funds available - December 31	\$ 1,763,782	\$ 1,720,965	\$ 2,542,845	\$ 821,880



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***ENTERPRISE FUNDS BUDGETARY SCHEDULES***

***WATER FUND***

***WATER RESOURCES FUND***

***STORMWATER FUND***

***WASTEWATER FUND***

***GOLF FUND***

***COMMUNITY CENTER FUND***

***DEVELOPMENT SERVICES FUND***

TOWN OF CASTLE ROCK, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 14,037,877	\$ 14,037,877	\$ 15,297,251	\$ 1,259,374
System development fees	3,258,920	3,258,920	2,629,558	(629,362)
Fines and forfeitures	357,700	357,700	359,657	1,957
Investment earnings	182,742	182,742	505,947	323,205
Intergovernmental	2,650,000	2,650,000	2,287,193	(362,807)
Other	106,049	106,049	292,800	186,751
Total revenues	20,593,288	20,593,288	21,372,406	779,118
OPERATING EXPENDITURES				
Administration	1,555,795	1,585,035	1,640,437	(55,402)
Operations support	8,694,411	11,774,523	10,151,953	1,622,570
Capital Outlay	7,610,853	16,126,226	7,488,677	8,637,549
Total operating expenditures	17,861,059	29,485,784	19,281,067	10,204,717
DEBT SERVICE				
Principal	1,404,200	1,404,200	1,404,200	-
Interest	347,651	347,651	344,696	2,955
Agency fees	400	400	552	(152)
Total debt service	1,752,251	1,752,251	1,749,448	2,803
Total expenditures	19,613,310	31,238,035	21,030,515	10,207,520
Excess (deficiency) of revenues over (under) expenditures	979,978	(10,644,747)	341,891	10,986,638
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	675,000	675,000	675,000	-
Interfund loan interest - transfer in	92,625	10,125	10,125	-
Proceeds from sale of capital assets	-	-	869,365	869,365
Interfund loan	(5,500,000)	-	-	-
Transfers out	(1,674,289)	(1,695,124)	(1,794,388)	(99,264)
Total other financing sources (uses)	(6,406,664)	(1,009,999)	(239,898)	770,101
Net change in funds available	(5,426,686)	(11,654,746)	101,993	11,756,739
Funds available - January 1	19,517,990	21,276,145	21,276,145	-
Funds available - December 31	\$ 14,091,304	\$ 9,621,399	\$ 21,378,138	\$ 11,756,739
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 101,993	
Depreciation expense			(6,001,534)	
Capital asset contributions			3,265,993	
Capital outlay			7,488,677	
Principal paid			1,404,200	
Interfund loan principal			(675,000)	
Proceeds from sale of capital assets			(869,365)	
Gain on disposal of capital assets			(208,610)	
Amortization expense			56,300	
Accrued leave			(158,276)	
Change in net position			\$ 4,404,378	

TOWN OF CASTLE ROCK, COLORADO

WATER RESOURCES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 9,339,447	\$ 9,339,447	\$ 9,817,426	\$ 477,979
System development fees	14,083,283	14,083,283	16,079,149	1,995,866
Fines and forfeitures	66,000	66,000	147,158	81,158
Investment earnings	473,052	473,052	1,681,116	1,208,064
Other	6,268,548	6,268,548	6,501,323	232,775
Total revenues	30,230,330	30,230,330	34,226,172	3,995,842
OPERATING EXPENDITURES				
Administration	603,327	635,742	605,420	30,322
Operations support	8,208,783	8,552,206	6,691,224	1,860,982
Capital Outlay	37,107,557	78,165,732	35,895,404	42,270,328
Total operating expenditures	45,919,667	87,353,680	43,192,048	44,161,632
DEBT SERVICE				
Principal	1,825,000	1,825,000	1,825,000	-
Interest	1,876,975	1,876,975	1,870,892	6,083
Agency and other fees	-	-	300	(300)
Total debt service	3,701,975	3,701,975	3,696,192	5,783
Total expenditures	49,621,642	91,055,655	46,888,240	44,167,415
Excess (deficiency) of revenues over (under) expenditures	(19,391,312)	(60,825,325)	(12,662,068)	48,163,257
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	-	60,395	44,312	(16,083)
Interfund loan interest - transfer in	-	-	19,688	19,688
Transfers in	1,494,442	1,494,442	1,593,706	99,264
Transfers out	(3,268)	(64,042)	(64,042)	-
Total other financing sources (uses)	1,491,174	1,490,795	1,593,664	102,869
Net change in funds available	(17,900,138)	(59,334,530)	(11,068,404)	48,266,126
Funds available - January 1	40,033,891	67,864,003	67,864,003	-
Funds available - December 31	\$ 22,133,753	\$ 8,529,473	\$ 56,795,599	\$ 48,266,126
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (11,068,404)	
Depreciation expense			(1,166,762)	
Capital outlay			35,895,404	
Principal paid			1,825,000	
Interfund loan principal			(44,312)	
Amortization expense			533,353	
Accrued leave			(16,251)	
Change in net position			\$ 25,958,028	

TOWN OF CASTLE ROCK, COLORADO

STORMWATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 3,356,010	\$ 3,356,010	\$ 3,552,640	\$ 196,630
System development fees	1,663,584	1,663,584	1,111,668	(551,916)
Investment earnings	39,270	39,270	179,156	139,886
Intergovernmental	-	-	395,025	395,025
Other	48,015	48,015	101,677	53,662
Total revenues	5,106,879	5,106,879	5,340,166	233,287
OPERATING EXPENDITURES				
Administration	652,735	653,766	669,570	(15,804)
Operations support	1,882,586	1,966,810	1,799,478	167,332
Capital Outlay	4,915,129	6,233,963	1,950,984	4,282,979
Total operating expenditures	7,450,450	8,854,539	4,420,032	4,434,507
DEBT SERVICE				
Interest	-	-	2,880	(2,880)
Total debt service	-	-	2,880	(2,880)
Total expenditures	7,450,450	8,854,539	4,422,912	4,431,627
Excess (deficiency) of revenues over (under) expenditures	(2,343,571)	(3,747,660)	917,254	4,664,914
OTHER FINANCING SOURCES (USES)				
Notes payable proceeds	-	-	4,500,000	4,500,000
Notes payable issue costs	-	-	(49,500)	(49,500)
Transfers out	(55,591)	(62,031)	(62,031)	-
Interfund loan principal	(675,000)	(675,000)	(675,000)	-
Interfund loan interest - transfer out	(10,125)	(10,125)	(10,125)	-
Total other financing sources (uses)	(740,716)	(747,156)	3,703,344	4,450,500
Net change in funds available	(3,084,287)	(4,494,816)	4,620,598	9,115,414
Funds available - January 1	6,302,607	8,335,093	8,335,093	-
Funds available - December 31	\$ 3,218,320	\$ 3,840,277	\$ 12,955,691	\$ 9,115,414
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 4,620,598	
Depreciation expense			(1,901,184)	
Capital asset contributions			2,680,193	
Capital outlay			1,950,984	
Notes payable proceeds			(4,500,000)	
Interfund loan principal			675,000	
Accrued leave			(19,814)	
Change in net position			\$ 3,505,777	

TOWN OF CASTLE ROCK, COLORADO

WASTEWATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 10,390,211	\$ 10,390,211	\$ 11,005,301	\$ 615,090
System development fees	3,117,613	3,117,613	2,802,641	(314,972)
Fines and forfeitures	100	100	154	54
Investment earnings	112,790	112,790	108,442	(4,348)
Intergovernmental	-	-	-	-
Other	10,881	10,881	209,218	198,337
Total revenues	13,631,595	13,631,595	14,125,756	494,161
OPERATING EXPENDITURES				
Administration	918,942	921,783	937,128	(15,345)
Operations support	21,053,422	24,836,068	21,553,437	3,282,631
Contributions toward sewer capacity	1,992,280	2,294,309	2,473,736	(179,427)
Capital Outlay	1,241,860	1,478,856	616,801	862,055
Total operating expenditures	25,206,504	29,531,016	25,581,102	3,949,914
DEBT SERVICE				
Principal	280,800	280,800	280,800	-
Interest	54,474	54,474	53,948	526
Agency fees	-	-	48	(48)
Total debt service	335,274	335,274	334,796	478
Total expenditures	25,541,778	29,866,290	25,915,898	3,950,392
Excess (deficiency) of revenues over (under) expenditures	(11,910,183)	(16,234,695)	(11,790,142)	4,444,553
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	5,500,000	-	-	-
Interfund loan interest - transfer out	(82,500)	-	-	-
Transfers out	(35,980)	(40,148)	(40,149)	(1)
Total other financing sources (uses)	5,381,520	(40,148)	(40,149)	(1)
Net change in funds available	(6,528,663)	(16,274,843)	(11,830,291)	4,444,552
Funds available - January 1	12,374,577	20,523,526	20,523,526	-
Funds available - December 31	\$ 5,845,914	\$ 4,248,683	\$ 8,693,235	\$ 4,444,552
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (11,830,291)	
Depreciation expense			(2,527,276)	
Capital asset contributions			2,034,058	
Capital outlay			616,801	
Principal paid			280,800	
Amortization expense			5,044	
Investment in joint venture			1,837,301	
Accrued leave			(14,639)	
Change in net position			\$ (9,598,202)	



TOWN OF CASTLE ROCK, COLORADO

GOLF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,209,900	\$ 3,209,900	\$ 3,186,921	\$ (22,979)
Investment earnings	13,930	13,930	17,489	3,559
Other	-	-	2,930	2,930
Total revenues	3,223,830	3,223,830	3,207,340	(16,490)
OPERATING EXPENDITURES				
Administration	318,071	319,527	323,392	(3,865)
Operations support	819,464	819,464	829,598	(10,134)
Food and beverages	545,667	545,667	524,644	21,023
Maintenance	932,282	932,282	883,340	48,942
Capital Outlay	570,513	620,744	459,106	161,638
Total operating expenditures	3,185,997	3,237,684	3,020,080	217,604
DEBT SERVICE				
Principal	563,916	563,916	552,239	11,677
Interest	128,516	128,516	125,337	3,179
Agency fees	2,500	2,500	375	2,125
Total debt service	694,932	694,932	677,951	16,981
Total expenditures	3,880,929	3,932,616	3,698,031	234,585
Excess (deficiency) of revenues over (under) expenditures	(657,099)	(708,786)	(490,691)	218,095
OTHER FINANCING SOURCES (USES)				
Lease proceeds	470,513	470,513	424,228	(46,285)
Transfers in	80,000	80,000	80,000	-
Transfers out	(6,387)	(7,127)	(7,127)	-
Interfund loan interest	(7,512)	(7,512)	(7,512)	-
Total other financing sources (uses)	536,614	535,874	489,589	(46,285)
Net change in funds available	(120,485)	(172,912)	(1,102)	171,810
Funds available - January 1	1,447,859	1,555,169	1,555,169	-
Funds available - December 31	\$ 1,327,374	\$ 1,382,257	\$ 1,554,067	\$ 171,810
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (1,102)	
Depreciation expense			(248,356)	
Capital outlay			459,106	
Lease proceeds			(424,228)	
Principal paid			552,239	
Amortization expense			(38,267)	
Accrued leave			(26,378)	
Change in net position			\$ 273,014	

TOWN OF CASTLE ROCK, COLORADO

COMMUNITY CENTER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,279,996	\$ 3,279,996	\$ 3,406,474	\$ 126,478
Charges for services	4,302,026	4,302,026	4,196,488	(105,538)
Investment earnings	16,673	16,673	24,363	7,690
Intergovernmental	-	-	40,500	40,500
Other	-	-	193,684	193,684
Total revenues	7,598,695	7,598,695	7,861,509	262,814
OPERATING EXPENDITURES				
Administration	74,401	80,635	57,557	23,078
Operations support	2,769,481	3,046,829	2,839,982	206,847
Special events	289,936	289,936	545,893	(255,957)
Birthday parties	53,940	53,940	13,174	40,766
Aquatics	1,780,525	1,780,525	1,983,171	(202,646)
Athletics	907,080	907,080	1,070,380	(163,300)
Cultural arts	149,135	149,135	203,591	(54,456)
Fitness and wellness	421,860	421,860	364,523	57,337
Youth programs	464,523	464,523	556,201	(91,678)
Capital Outlay	570,000	1,066,448	618,622	447,826
Total operating expenditures	7,480,881	8,260,911	8,253,094	7,817
Excess (deficiency) of revenues over (under) expenditures	117,814	(662,216)	(391,585)	270,631
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	400,000	400,000	400,000	-
Interfund loan interest - transfer in	6,000	6,000	6,000	-
Transfers out	(95,969)	(97,819)	(97,819)	-
Total other financing sources (uses)	310,031	308,181	308,181	-
Net change in funds available	427,845	(354,035)	(83,404)	270,631
Funds available - January 1	2,290,101	2,015,634	2,015,634	-
Funds available - December 31	\$ 2,717,946	\$ 1,661,599	\$ 1,932,230	\$ 270,631
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (83,404)	
Depreciation expense			(368,420)	
Capital outlay			618,622	
Interfund loan principal			(400,000)	
Accrued leave			(48,698)	
Change in net position			\$ (281,900)	

TOWN OF CASTLE ROCK, COLORADO

DEVELOPMENT SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 6,585,000	\$ 6,585,000	\$ 6,302,236	\$ (282,764)
Investment earnings	78,087	78,087	103,806	25,719
Other	-	-	2,081	2,081
Total revenues	6,663,087	6,663,087	6,408,123	(254,964)
OPERATING EXPENDITURES				
Operations support	6,328,603	6,425,473	5,927,246	498,227
Capital outlay	-	-	10,835	(10,835)
Total operating expenditures	6,328,603	6,425,473	5,938,081	487,392
Excess (deficiency) of revenues over (under) expenditures	334,484	237,614	470,042	232,428
OTHER FINANCING SOURCES (USES)				
Transfers out	(70,262)	(78,402)	(78,402)	-
Total other financing sources (uses)	(70,262)	(78,402)	(78,402)	-
Net change in funds available	264,222	159,212	391,640	232,428
Funds available - January 1	3,180,395	3,582,469	3,582,469	-
Funds available - December 31	\$ 3,444,617	\$ 3,741,681	\$ 3,974,109	\$ 232,428
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 391,640	
Capital outlay			10,835	
Depreciation expense			(133,482)	
Accrued leave			(87,713)	
Change in net position			\$ 181,280	



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## INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department to another. Revenues are from user charges to funds and departments, which are calculated on a cost reimbursement basis.

### **Employee Benefits Fund**

The Employee Benefits Fund accounts for the accumulation and payment of health insurance claims; for the payment of premiums for various employee insurance policies (life insurance, long-term disability, accidental death and dismemberment, stop-loss insurance) and for the payment of fees to third-party administrators; and for disbursement of cafeteria plan monies.

### **Fleet Services Fund**

The Fleet Services Fund accounts for centralized acquisition and maintenance of Town owned vehicles. Operations and vehicle replacements are funded by charges to user departments.

TOWN OF CASTLE ROCK, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Employee Benefits	Fleet Services	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 377,773	\$ 4,148,661	\$ 4,526,434
Investments	2,054,454	141,150	2,195,604
Receivables	64,330	4,237	68,567
Prepaid items	535	7,076	7,611
Total current assets	2,497,092	4,301,124	6,798,216
Non-current Assets			
Capital assets			
Machinery and equipment	-	25,711,942	25,711,942
Construction in progress	-	5,620	5,620
Accumulated depreciation	-	(15,654,017)	(15,654,017)
Total non-current assets	-	10,063,545	10,063,545
Total assets	2,497,092	14,364,669	16,861,761
LIABILITIES			
Current liabilities			
Accounts payable	630,323	214,501	844,824
Unearned revenues	589,715	-	589,715
Current portion of accrued leave	-	41,723	41,723
Total Current liabilities	1,220,038	256,224	1,476,262
Non-current liabilities			
Accrued leave	-	22,196	22,196
Total Non-current liabilities	-	22,196	22,196
Total liabilities	1,220,038	278,420	1,498,458
NET POSITION			
Net investment in capital assets	-	9,893,759	9,893,759
Unrestricted	1,277,054	4,192,490	5,469,544
Total net position	\$ 1,277,054	\$ 14,086,249	\$ 15,363,303

TOWN OF CASTLE ROCK, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2019

	Employee Benefits	Fleet Services	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 6,690,688	\$ 4,064,151	\$ 10,754,839
Other	1,749,180	3,954	1,753,134
Total operating revenues	8,439,868	4,068,105	12,507,973
OPERATING EXPENSES			
Cost of sales and services	9,200,074	1,262,432	10,462,506
Depreciation	-	3,018,502	3,018,502
Total operating expenses	9,200,074	4,280,934	13,481,008
Operating income (loss)	(760,206)	(212,829)	(973,035)
NON-OPERATING REVENUES/(EXPENSES)			
Investment earnings	78,528	33,880	112,408
Gain on disposal of capital assets	-	203,099	203,099
Total non-operating revenues/(expenses)	78,528	236,979	315,507
Net income (loss) before contributions and transfers	(681,678)	24,150	(657,528)
CONTRIBUTIONS AND TRANSFERS			
Transfers in	-	187,310	187,310
Transfers out	-	(28,510)	(28,510)
Total contributions and transfers	-	158,800	158,800
Change in net position	(681,678)	182,950	(498,728)
Total net position - January 1	1,958,732	13,903,299	15,862,031
Total net position - December 31	\$ 1,277,054	\$ 14,086,249	\$ 15,363,303

TOWN OF CASTLE ROCK, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Employee Benefits	Fleet Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,825,210	\$ 5,574	\$ 1,830,784
Receipts from interfund services provided	6,690,688	4,064,151	10,754,839
Payments to suppliers	(9,039,373)	(576,475)	(9,615,848)
Payments to employees	(157,637)	(657,823)	(815,460)
Net cash provided by (used in) operating activities	(681,112)	2,835,427	2,154,315
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash transfers in	-	187,310	187,310
Cash transfers out	-	(28,510)	(28,510)
Net cash provided by (used in) non-capital financing activities	-	158,800	158,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(1,532,485)	(1,532,485)
Proceeds from sale of capital assets	-	212,897	212,897
Net cash provided by (used in) capital and related financing activities	-	(1,319,588)	(1,319,588)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	57,079	32,406	89,485
Decrease (increase) in equity in pooled investments	(40,550)	(2,785)	(43,335)
Net cash provided by investing activities	16,529	29,621	46,150
Net increase (decrease) in cash and cash equivalents	(664,583)	1,704,260	1,039,677
Cash and cash equivalents - January 1	1,042,356	2,444,401	3,486,757
Cash and cash equivalents - December 31	<u>\$ 377,773</u>	<u>\$ 4,148,661</u>	<u>\$ 4,526,434</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION			
Unrestricted cash and cash equivalents	\$ 377,773	\$ 4,148,661	\$ 4,526,434
Restricted cash and cash equivalents			
Total cash and cash equivalents	<u>\$ 377,773</u>	<u>\$ 4,148,661</u>	<u>\$ 4,526,434</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (760,206)	\$ (212,829)	\$ (973,035)
Adjustments to reconcile operating income (loss) from operations to net cash provided by (used in) operating activities			
Depreciation expense	-	3,018,502	3,018,502
(Increase) decrease in assets			
Accounts receivable	(18,212)	1,620	(16,592)
Prepaid items	7,681	402	8,083
Increase (decrease) in liabilities			
Accounts payable	(4,617)	11,485	6,868
Accrued leave	-	16,247	16,247
Unearned revenue	94,242	-	94,242
Total adjustments	79,094	3,048,256	3,127,350
Net cash provided by (used in) operating activities	<u>\$ (681,112)</u>	<u>\$ 2,835,427</u>	<u>\$ 2,154,315</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Payables incurred for purchase of capital assets	\$ -	\$ (169,786)	\$ (169,786)
Increase (decrease) in fair value of investments	21,449	1,474	22,923
Noncash investing, capital and financing activities	<u>\$ 21,449</u>	<u>\$ (168,312)</u>	<u>\$ (146,863)</u>



TOWN OF CASTLE ROCK, COLORADO

EMPLOYEE BENEFITS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 7,222,324	\$ 7,222,324	\$ 6,690,688	\$ (531,636)
Investment earnings	44,666	44,666	78,528	33,862
Other	1,650,298	1,650,298	1,749,180	98,882
Total revenues	8,917,288	8,917,288	8,518,396	(398,892)
EXPENDITURES				
Operations	8,872,622	9,772,622	9,200,074	572,548
Total expenditures	8,872,622	9,772,622	9,200,074	572,548
Net change in funds available	44,666	(855,334)	(681,678)	173,656
Funds available - January 1	2,338,719	1,958,732	1,958,732	-
Funds available - December 31	\$ 2,383,385	\$ 1,103,398	\$ 1,277,054	\$ 173,656

TOWN OF CASTLE ROCK, COLORADO

FLEET FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 4,057,485	\$ 4,057,485	\$ 4,064,151	\$ 6,666
Investment earnings	11,706	11,706	33,880	22,174
Transfers in	190,855	248,355	187,310	(61,045)
Proceeds from sale of capital assets	150,196	150,196	212,895	62,699
Other	-	-	3,954	3,954
Total revenues	4,410,242	4,467,742	4,502,190	34,448
EXPENDITURES				
Operations	1,242,815	1,243,458	1,246,186	(2,728)
Transfers out	25,550	28,510	28,510	-
Capital outlay	2,272,971	2,330,471	1,702,271	628,200
Total expenditures	3,541,336	3,602,439	2,976,967	625,472
Net change in funds available	868,906	865,303	1,525,223	659,920
Funds available - January 1	2,427,233	2,549,997	2,549,997	-
Funds available - December 31	\$ 3,296,139	\$ 3,415,300	\$ 4,075,220	\$ 659,920
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 1,525,223	
Depreciation expense			(3,018,502)	
Capital outlay			1,702,271	
Proceeds from sale of capital assets			(212,895)	
Gain on disposal of capital assets			203,099	
Accrued leave			(16,246)	
Change in net position			\$ 182,950	



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## **STATISTICAL SECTION**

*Financial Trends*

*Revenue Capacity*

*Debt Capacity*

*Demographic and Economic Information*

*Operating Information*

## STATISTICAL SECTION

This section of the Town of Castle Rock's Comprehensive Annual Financial Report provides detailed information to help readers better understand what the information in the financial statements, note disclosures, and required supplemental information says about the Town's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the financial performance and well-being of the Town has changed over time.	152
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Town's most significant local revenue source, sales tax.	165
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	184
<b>Demographic and Economic Information</b> These schedules provide demographic and economic indicators to help the reader understand the environment within which the Town operates.	194
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	201

**Sources:** Unless otherwise noted, the information in the following schedules is derived from the comprehensive annual financial reports for the relevant years.

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*Financial Trends*



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TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE NET POSITION BY COMPONENT  
LAST TEN YEARS  
ACCRUAL BASIS OF ACCOUNTING  
TABLE 1 (UNAUDITED)

	2010	2011	2012	2013
<u>GOVERNMENTAL ACTIVITIES</u>				
Net investment in capital assets	\$ 231,405,846	\$ 217,467,207	\$ 225,585,883	\$ 201,422,904
Restricted	1,650,602	2,196,333	1,994,901	70,760,651
Unrestricted	38,370,176	55,122,930	52,464,307	23,335,029
Total governmental activities net position	271,426,624	274,786,470	280,045,091	295,518,584
<u>BUSINESS-TYPE ACTIVITIES</u>				
Net investment in capital assets	310,203,148	315,765,489	318,957,957	314,819,483
Unrestricted	86,858,325	96,121,678	110,322,628	135,789,073
Total business-type activities net position	397,061,473	411,887,167	429,280,585	450,608,556
<u>PRIMARY GOVERNMENT</u>				
Net investment in capital assets	541,608,994	533,232,696	544,543,840	516,242,387
Restricted	1,650,602	2,196,333	1,994,901	70,760,651
Unrestricted	125,228,501	151,244,608	162,786,935	159,124,102
Total primary government net position	\$ 668,488,097	\$ 686,673,637	\$ 709,325,676	\$ 746,127,140



2014	2015	2016	2017	2018	2019
\$ 254,066,717	\$ 281,695,831	\$ 302,585,569	\$ 313,943,660	\$ 332,762,370	\$ 361,694,721
8,223,087	11,447,113	11,435,201	14,486,482	19,853,075	16,884,859
52,846,664	36,287,969	38,993,869	41,495,945	47,989,843	49,179,639
315,136,468	329,430,913	353,014,639	369,926,087	400,605,288	427,759,219
333,160,111	343,865,979	367,831,717	444,474,020	473,027,666	512,559,768
143,859,391	164,510,149	178,911,069	138,557,064	150,221,369	134,822,353
477,019,502	508,376,128	546,742,786	583,031,084	623,249,035	647,382,121
587,226,828	625,561,810	670,417,286	758,417,680	805,790,036	874,254,489
8,223,087	11,447,113	11,435,201	14,486,482	19,853,075	16,884,859
196,706,055	200,798,118	217,904,938	180,053,009	198,211,212	184,001,992
\$ 792,155,970	\$ 837,807,041	\$ 899,757,425	\$ 952,957,171	\$ 1,023,854,323	\$ 1,075,141,340

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE CHANGES IN NET POSITION

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 2 (UNAUDITED)

	2010	2011	2012	2013
<u>EXPENSES</u>				
Governmental activities:				
General government	\$ 9,646,713	\$ 10,053,849	\$ 10,311,488	\$ 10,752,935
Public safety	15,449,390	16,059,583	17,023,891	18,177,110
Public works	16,891,543	17,036,708	17,720,922	18,765,794
Cultural and recreation	4,313,841	4,590,564	5,205,661	5,013,020
Interest on long-term debt	784,372	733,329	684,795	1,900,445
Total governmental activities expenses	47,085,859	48,474,033	50,946,757	54,609,304
Business-type activities:				
Water	13,470,141	13,500,479	13,845,199	13,790,680
Water resources	2,797,173	2,663,422	2,840,582	3,505,791
Stormwater	2,490,018	2,524,188	2,632,999	2,752,781
Wastewater	7,480,899	7,619,081	8,021,540	8,023,526
Golf	2,212,076	2,185,290	2,318,379	2,312,927
Community center	4,335,278	4,218,613	4,183,298	4,611,098
Development services	2,302,570	2,399,589	2,446,421	3,113,710
Total business-type activities expenses	35,088,155	35,110,662	36,288,418	38,110,513
<u>PROGRAM REVENUES</u>				
Governmental activities:				
Charges for services:				
General government	3,068,905	2,902,182	2,989,662	3,398,349
Public safety	2,345,282	2,898,099	2,786,966	2,978,129
Public works	937,819	886,933	1,327,345	2,393,368
Cultural and recreation	1,645,714	1,189,068	1,649,862	2,699,234
Operating grants and contributions	4,128,319	3,667,953	3,620,497	6,415,121
Capital grants and contributions	2,986,429	2,155,847	1,666,066	4,233,013
Total governmental activities program revenues	15,112,468	13,700,082	14,040,398	22,117,214
Business-type activities:				
Charges for services:				
Water	11,517,778	11,920,422	13,607,612	12,272,368
Water resources	5,175,846	6,140,619	6,397,234	6,691,043
Stormwater	1,883,458	1,836,749	1,815,055	1,991,406
Wastewater	6,359,184	7,407,589	7,906,426	8,634,009
Golf	2,242,117	2,331,460	2,649,636	2,677,310
Community center	2,496,329	2,454,771	2,536,342	2,670,239
Development services	2,717,753	2,602,431	3,456,483	4,622,507
Capital grants and contributions	12,179,300	12,882,101	12,831,081	20,162,551
Total business-type activities program revenues	44,571,765	47,576,142	51,199,869	59,721,433
Total primary government program revenues	\$ 59,684,233	\$ 61,276,224	\$ 65,240,267	\$ 81,838,647

2014	2015	2016	2017	2018	2019
\$ 16,404,854	\$ 15,160,901	\$ 14,023,404	\$ 15,237,806	\$ 16,128,883	\$ 17,615,169
20,150,643	22,476,557	23,951,068	26,837,846	28,499,674	31,616,925
19,233,864	22,300,425	25,769,578	27,654,814	29,833,280	37,096,813
5,617,151	6,501,612	7,677,894	7,590,806	8,201,097	7,995,062
1,695,011	1,641,360	1,445,842	1,450,707	1,428,837	1,337,305
63,101,523	68,080,855	72,867,786	78,771,979	84,091,771	95,661,274
13,259,467	14,462,500	14,817,848	14,838,232	15,599,176	18,519,142
4,406,190	4,555,574	5,925,682	6,291,869	8,695,784	9,849,461
3,047,542	3,493,118	4,117,364	4,004,389	4,256,104	4,480,720
8,231,592	7,985,659	8,054,679	11,365,376	22,442,714	25,748,740
2,426,425	2,723,815	2,777,471	2,879,397	2,874,399	3,020,217
5,117,001	6,210,318	6,600,250	6,691,990	7,087,816	8,084,639
3,763,554	4,346,027	5,315,651	5,831,788	5,758,964	6,233,635
40,251,771	43,777,011	47,608,945	51,903,041	66,714,957	75,936,554
3,499,635	3,950,825	3,830,017	4,213,469	4,414,744	4,256,832
2,748,927	3,003,469	3,263,779	3,638,038	4,065,404	4,001,601
2,086,424	2,283,891	3,248,842	3,407,838	6,312,477	6,473,501
2,342,764	2,389,953	3,219,809	3,356,506	4,114,858	3,460,974
5,930,735	4,798,880	4,465,204	4,614,103	5,356,759	6,973,214
17,746,543	10,285,470	18,645,995	12,562,716	19,443,668	24,506,240
34,355,028	26,712,488	36,673,646	31,792,670	43,707,910	49,672,362
11,484,921	13,027,856	14,393,516	17,210,558	16,186,541	18,236,901
7,110,200	7,672,085	8,206,834	10,537,762	11,459,270	16,465,907
2,331,881	2,239,481	2,609,893	3,478,385	4,222,729	4,049,342
8,759,397	9,259,550	9,691,906	10,300,046	11,236,722	11,214,673
2,773,387	2,783,584	2,971,846	3,057,548	3,132,347	3,189,851
3,062,365	3,862,296	3,852,074	3,804,710	3,908,721	4,430,672
4,052,836	4,677,648	6,292,090	5,720,631	6,492,172	6,304,317
22,959,052	28,827,928	34,394,316	29,859,373	46,318,722	30,603,260
62,534,039	72,350,428	82,412,475	83,969,013	102,957,224	94,494,923
\$ 96,889,067	\$ 99,062,916	\$ 119,086,121	\$ 115,761,683	\$ 146,665,134	\$ 144,167,285

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE CHANGES IN NET POSITION (CONTINUED)

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 2 (UNAUDITED)

	2010	2011	2012	2013
<u>NET (EXPENSE) REVENUE</u>				
Governmental activities	\$ (31,973,391)	\$ (34,773,951)	\$ (36,906,359)	\$ (32,492,090)
Business-type activities	9,483,610	12,465,480	14,911,451	21,610,920
Total primary government net expense	<u>\$ (22,489,781)</u>	<u>\$ (22,308,471)</u>	<u>\$ (21,994,908)</u>	<u>\$ (10,881,170)</u>
<u>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</u>				
Governmental activities				
Taxes				
Property taxes	\$ 1,107,940	\$ 1,107,720	\$ 949,513	\$ 957,883
Sales taxes	24,198,917	27,890,577	30,134,903	33,321,579
Use taxes	1,817,404	2,647,784	4,507,890	5,449,404
Motor vehicle	2,841,156	3,331,459	3,875,769	4,327,109
Other taxes	2,017,046	2,141,971	2,147,887	2,312,906
Interest and investment earnings	356,315	316,419	254,274	99,790
Other revenues	980,149	697,282	275,280	251,632
Transfers	79,116	585	19,464	1,486,707
Total governmental activities	<u>33,398,043</u>	<u>38,133,797</u>	<u>42,164,980</u>	<u>48,207,010</u>
Business-type activities				
Taxes	1,710,996	1,798,421	2,033,108	2,266,010
Interest and investment earnings	601,457	562,378	468,323	134,476
Transfers	(79,116)	(585)	(19,464)	(1,486,707)
Total business-type activities	<u>2,233,337</u>	<u>2,360,214</u>	<u>2,481,967</u>	<u>913,779</u>
Total primary government	<u>\$ 35,631,380</u>	<u>\$ 40,494,011</u>	<u>\$ 44,646,947</u>	<u>\$ 49,120,789</u>
<u>CHANGE IN NET POSITION</u>				
Governmental activities	\$ 1,424,652	\$ 3,359,846	\$ 5,258,621	\$ 15,714,920
Business-type activities	11,716,947	14,825,694	17,393,418	22,524,699
Total primary government	<u>\$ 13,141,599</u>	<u>\$ 18,185,540</u>	<u>\$ 22,652,039</u>	<u>\$ 38,239,619</u>

2014	2015	2016	2017	2018	2019
\$ (28,746,495)	\$ (41,368,367)	\$ (36,194,140)	\$ (46,979,309)	\$ (40,383,861)	\$ (45,988,912)
22,282,268	28,573,417	34,803,530	32,065,972	36,242,267	18,558,369
<u>\$ (6,464,227)</u>	<u>\$ (12,794,950)</u>	<u>\$ (1,390,610)</u>	<u>\$ (14,913,337)</u>	<u>\$ (4,141,594)</u>	<u>\$ (27,430,543)</u>
\$ 1,004,072	\$ 1,024,564	\$ 1,094,337	\$ 1,174,213	\$ 1,330,579	\$ 1,483,121
35,698,294	38,526,092	41,632,958	45,412,814	48,608,882	50,729,264
4,613,694	5,033,746	7,671,139	7,358,941	8,861,469	8,080,760
4,963,693	5,694,180	6,125,671	6,334,416	6,808,761	7,560,750
2,519,409	2,626,034	2,683,156	2,804,922	2,919,175	3,111,497
335,763	274,086	322,843	491,214	1,000,045	1,589,888
363,420	710,521	303,285	233,717	229,881	135,487
(1,133,966)	240,024	(55,523)	80,520	1,304,270	452,076
<u>48,364,379</u>	<u>54,129,247</u>	<u>59,777,866</u>	<u>63,890,757</u>	<u>71,063,062</u>	<u>73,142,843</u>
2,391,546	2,519,151	2,791,379	3,027,602	3,277,885	3,406,474
603,166	504,082	716,226	1,275,244	2,002,069	2,620,319
1,133,966	(240,024)	55,523	(80,520)	(1,304,270)	(452,076)
<u>4,128,678</u>	<u>2,783,209</u>	<u>3,563,128</u>	<u>4,222,326</u>	<u>3,975,684</u>	<u>5,574,717</u>
<u>\$ 52,493,057</u>	<u>\$ 56,912,456</u>	<u>\$ 63,340,994</u>	<u>\$ 68,113,083</u>	<u>\$ 75,038,746</u>	<u>\$ 78,717,560</u>
\$ 19,617,884	\$ 12,760,880	\$ 23,583,726	\$ 16,911,448	\$ 30,679,201	\$ 27,153,931
26,410,946	31,356,626	38,366,658	36,288,298	40,217,951	24,133,086
<u>\$ 46,028,830</u>	<u>\$ 44,117,506</u>	<u>\$ 61,950,384</u>	<u>\$ 53,199,746</u>	<u>\$ 70,897,152</u>	<u>\$ 51,287,017</u>

TOWN OF CASTLE ROCK, COLORADO

PROGRAM REVENUES BY FUNCTION

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 3 (UNAUDITED)

REVENUE SOURCE	2010	2011	2012	2013
<u>PROGRAM REVENUES</u>				
Charges for services	\$ 40,390,185	\$ 42,570,323	\$ 47,122,623	\$ 51,027,962
Operating grants and contributions	4,128,319	3,667,953	3,620,497	6,415,121
Capital grants and contributions	15,165,729	15,037,948	14,497,147	24,395,564
Total program revenues	59,684,233	61,276,224	65,240,267	81,838,647
<u>GENERAL REVENUES</u>				
Property taxes	1,107,940	1,107,720	949,513	957,883
Sales taxes	25,909,913	29,350,586	31,710,136	35,064,818
Use tax-building and motor vehicle	4,658,560	6,317,655	8,841,534	10,299,284
Other taxes	2,017,046	2,141,971	2,147,887	2,312,906
Investment earnings	957,772	878,797	722,597	234,266
Other	980,149	697,282	275,280	251,632
Total general revenues	35,631,380	40,494,011	44,646,947	49,120,789
Total revenues	\$ 95,315,613	\$ 101,770,235	\$ 109,887,214	\$ 130,959,436

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2014	2015	2016	2017	2018	2019
\$ 50,252,737	\$ 55,150,638	\$ 61,580,606	\$ 68,725,491	\$ 75,545,985	\$ 82,084,571
5,930,735	4,798,880	4,465,204	4,614,103	5,356,759	6,973,214
40,705,595	39,113,398	53,040,311	42,422,089	65,762,390	55,109,500
96,889,067	99,062,916	119,086,121	115,761,683	146,665,134	144,167,285
1,004,072	1,024,564	1,094,337	1,174,213	1,330,579	1,483,121
37,566,668	40,476,326	43,742,356	47,732,084	51,064,615	53,320,475
10,100,559	11,296,843	14,478,791	14,401,689	16,492,382	16,456,773
2,519,409	2,626,034	2,683,156	2,804,922	2,919,175	3,111,497
938,929	778,168	1,039,069	1,766,458	3,002,114	4,210,207
363,420	710,521	303,285	233,717	229,881	135,487
52,493,057	56,912,456	63,340,994	68,113,083	75,038,746	78,717,560
\$ 149,382,124	\$ 155,975,372	\$ 182,427,115	\$ 183,874,766	\$ 221,703,880	\$ 222,884,845

TOWN OF CASTLE ROCK, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 4 (UNAUDITED)

	2010	2011	2012	2013	2014
<u>GENERAL FUND</u>					
Nonspendable		\$ 2,509,652	\$ 2,347,282	\$ 2,394,370	\$ 2,310,718
Restricted		1,103,533	1,165,617	1,392,346	1,492,076
Committed		5,120,748	5,777,848	5,948,954	2,995,860
Assigned		627,494	509,931	986,870	270,941
Unassigned		9,549,058	12,434,317	12,135,511	13,929,961
Prior to 2011 (1)					
Reserved	\$ 3,275,928	-	-	-	-
Unreserved	14,609,972	-	-	-	-
Total general fund	<u>\$ 17,885,900</u>	<u>\$ 18,910,485</u>	<u>\$ 22,234,995</u>	<u>\$ 22,858,051</u>	<u>\$ 20,999,556</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>					
Nonspendable		\$ 55,094	\$ 32,773	\$ 38,230	\$ 36,208
Restricted		5,644,239	5,662,923	32,760,951	6,731,011
Committed		21,060,725	24,951,053	36,569,124	31,480,395
Unassigned		(1,026,554)	(887,594)	(812,262)	(717,329)
Prior to 2011 (1)					
Reserved	\$ 584,623	-	-	-	-
Unreserved, reported in:					
Special revenue funds	13,918,882	-	-	-	-
Capital projects funds	4,225,229	-	-	-	-
Total all other governmental funds	<u>\$ 18,728,734</u>	<u>\$ 25,733,504</u>	<u>\$ 29,759,155</u>	<u>\$ 68,556,043</u>	<u>\$ 37,530,285</u>

Note: (1) Fund Balances for years prior to 2011 are not available in new fund balance breakdown per GASB 54.



2015	2016	2017	2018	2019
\$ 2,634,861	\$ 2,724,800	\$ 6,273,689	\$ 5,433,140	\$ 4,591,792
1,633,328	1,670,055	1,754,607	1,898,642	2,052,460
3,011,282	4,632,978	5,561,036	6,390,596	5,164,845
876,594	220,782	1,501,424	6,057,187	2,145,008
13,905,280	16,148,395	14,319,577	12,517,874	15,592,815
-	-	-	-	-
-	-	-	-	-
<u>\$ 22,061,345</u>	<u>\$ 25,397,010</u>	<u>\$ 29,410,333</u>	<u>\$ 32,297,439</u>	<u>\$ 29,546,920</u>
\$ 851,972	\$ 57,940	\$ 63,269	\$ 65,643	\$ 72,486
7,963,605	7,729,860	10,843,652	16,322,110	14,832,399
14,832,926	14,037,404	13,306,523	16,030,561	12,430,285
(2,424,048)	(1,050,283)	(1,318,438)	(3,042,089)	(2,641,730)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 21,224,455</u>	<u>\$ 20,774,921</u>	<u>\$ 22,895,006</u>	<u>\$ 29,376,225</u>	<u>\$ 24,693,440</u>

TOWN OF CASTLE ROCK, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

MODIFIED ACCRUAL BASIS OF ACCOUNTING

TABLE 5 (UNAUDITED)

	2010	2011	2012	2013
<u>REVENUES</u>				
Taxes				
Property	\$ 1,107,940	\$ 1,107,720	\$ 949,513	\$ 957,883
Sales	24,198,917	27,890,577	30,134,903	33,321,579
Use	1,817,404	2,647,784	4,507,890	5,449,404
Motor vehicle	2,841,156	3,331,459	3,875,769	4,327,109
Other	2,017,046	2,141,971	2,147,887	2,312,906
Development impact fees	2,997,620	2,434,430	3,432,150	5,864,237
Licenses and permits	185,451	188,614	221,699	212,174
Charges for services	1,568,857	1,791,361	1,510,390	1,820,335
Management fees	2,795,789	2,627,670	2,599,023	2,501,728
Fines and forfeitures	450,003	546,024	484,226	361,104
Intergovernmental	3,820,297	4,072,775	3,470,817	5,598,398
Investment earnings	314,412	275,728	226,911	93,667
Contributions and donations	366,745	589,271	614,653	848,837
Other	909,034	876,708	553,773	552,048
Total revenues	45,390,671	50,522,092	54,729,604	64,221,409
<u>EXPENDITURES</u>				
Current				
General government	8,271,876	8,645,829	8,897,958	9,711,316
Public safety	15,156,615	15,926,597	17,050,118	18,362,513
Public works	8,115,952	8,463,180	8,666,415	9,712,423
Culture and recreation	2,816,418	3,093,878	3,647,476	3,384,239
Capital Outlay	2,703,831	4,377,360	7,134,263	13,354,103
Debt service				
Principal	1,141,184	1,174,634	1,595,202	1,049,880
Interest	755,955	712,744	657,813	1,330,288
Debt issue costs	-	-	-	555,661
Agency fees	750	1,100	750	400
Total expenditures	38,962,581	42,395,322	47,649,995	57,460,823
Excess of revenues over (under) expenditures	6,428,090	8,126,770	7,079,609	6,760,586
<u>OTHER FINANCING SOURCES (USES)</u>				
Inception of capital lease	-	-	269,967	-
Certificates of Participation	-	-	-	9,245,000
Bond issuance	-	-	-	20,000,000
Notes Payable	-	-	-	-
Premium on bonds	-	-	-	2,629,470
Transfers in	822,833	16,052,721	1,318,423	17,155,293
Payment to escrow agent	-	-	-	-
Transfers out	(743,717)	(16,150,136)	(1,317,838)	(16,370,405)
Total other financing sources (uses)	79,116	(97,415)	270,552	32,659,358
Net change in fund balances Fund balances	\$ 6,507,206	\$ 8,029,355	\$ 7,350,161	\$ 39,419,944
Debt service as a percentage of noncapital expenditures	5.23%	4.96%	5.56%	5.40%

2014	2015	2016	2017	2018	2019
\$ 1,004,072	\$ 1,024,564	\$ 1,094,337	\$ 1,174,213	\$ 1,330,579	\$ 1,483,121
35,698,294	38,526,092	41,632,958	45,412,814	48,608,882	50,729,264
4,613,694	5,033,746	7,671,139	7,358,941	8,861,469	8,080,760
4,963,693	5,694,180	6,125,671	6,334,416	6,808,761	7,560,750
2,519,409	2,626,034	2,683,156	2,804,922	2,919,175	3,111,497
5,684,787	5,691,343	7,607,698	7,989,231	11,921,883	11,153,802
192,421	232,611	232,540	242,533	236,904	272,487
1,813,775	1,979,765	2,244,591	2,326,651	2,633,658	2,564,419
2,489,606	2,770,586	2,886,561	3,274,465	3,434,368	3,421,034
542,459	815,713	440,519	399,681	412,374	402,875
5,680,885	7,751,453	5,692,037	4,327,153	6,084,390	8,250,439
316,903	255,876	296,617	447,166	918,709	1,477,480
791,224	604,013	581,070	792,259	658,018	1,388,440
543,221	895,230	457,493	584,629	418,087	423,667
66,854,443	73,901,206	79,646,387	83,469,074	95,247,257	100,320,035
15,328,617	12,756,053	12,308,420	13,937,216	14,895,787	16,413,940
19,917,911	22,187,805	23,545,337	25,971,232	29,010,161	30,490,734
10,009,814	13,155,869	15,706,515	16,239,204	17,695,519	24,577,746
3,668,965	3,929,160	4,858,749	4,712,621	5,341,350	5,464,112
46,800,960	33,319,262	19,132,373	12,269,269	16,282,437	25,849,836
1,605,087	1,742,800	1,802,801	1,277,801	1,075,000	3,720,000
1,808,034	1,748,126	1,583,329	1,649,039	1,613,005	1,527,647
-	-	159,890	-	-	-
2,700	2,700	2,625	2,850	2,704	2,600
99,142,088	88,841,775	79,100,039	76,059,232	85,915,963	108,046,615
(32,287,645)	(14,940,569)	546,348	7,409,842	9,331,294	(7,726,580)
938,402	-	-	-	-	-
-	-	-	-	-	-
-	-	7,405,000	-	-	-
-	-	2,500,000	-	-	-
-	-	1,389,503	-	-	-
11,015,492	6,973,840	8,130,962	4,240,560	5,120,410	5,264,477
-	-	(8,659,717)	-	-	-
(12,550,502)	(7,277,312)	(8,425,965)	(5,516,994)	(5,083,379)	(4,971,201)
(596,608)	(303,472)	2,339,783	(1,276,434)	37,031	293,276
\$ (32,884,253)	\$ (15,244,041)	\$ 2,886,131	\$ 6,133,408	\$ 9,368,325	\$ (7,433,304)
6.52%	6.29%	5.65%	4.59%	3.86%	6.38%



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*Revenue Capacity*

TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS  
TAX REVENUE BY SOURCE  
LAST TEN YEARS  
TABLE 6 (UNAUDITED)

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Year	Property Taxes	Sales and Use Taxes	Motor Vehicle	Other Taxes	Total
2010	\$ 1,107,940	\$ 26,016,321	\$ 2,841,156	\$ 2,017,046	\$ 31,982,463
2011	1,107,720	30,538,361	3,331,459	2,141,971	37,119,511
2012	949,513	34,642,793	3,875,769	2,147,887	41,615,962
2013	957,883	38,770,983	4,327,109	2,312,906	46,368,881
2014	1,004,072	40,311,988	4,963,693	2,519,409	48,799,162
2015	1,024,564	43,559,838	5,694,180	2,626,034	52,904,616
2016	1,094,337	49,304,097	6,125,671	2,683,156	59,207,261
2017	1,174,213	52,771,755	6,334,416	2,804,922	63,085,306
2018	1,330,579	57,470,351	6,808,761	2,919,175	68,528,866
2019	1,483,121	58,810,024	7,560,750	3,111,497	70,965,392

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE EXPENSES BY ACTIVITY AND FUNCTION

LAST TEN YEARS

TABLE 7 (UNAUDITED)

	2010	2011	2012	2013
<u>GOVERNMENTAL ACTIVITIES</u>				
General government	\$ 9,646,713	\$ 10,053,849	\$ 10,311,488	\$ 10,752,935
Public safety	15,449,390	16,059,583	17,023,891	18,177,110
Public works	16,891,543	17,036,708	17,720,922	18,765,794
Cultural and recreation	4,313,841	4,590,564	5,205,661	5,013,020
Interest on long-term debt	784,372	733,329	684,795	1,900,445
Total governmental activities	47,085,859	48,474,033	50,946,757	54,609,304
<u>BUSINESS-TYPE ACTIVITIES</u>				
Water	13,470,141	13,500,479	13,845,199	13,790,680
Water resources	2,797,173	2,663,422	2,840,582	3,505,791
Stormwater	2,490,018	2,524,188	2,632,999	2,752,781
Wastewater	7,480,899	7,619,081	8,021,540	8,023,526
Golf course	2,212,076	2,185,290	2,318,379	2,312,927
Community center	4,335,278	4,218,613	4,183,298	4,611,098
Development services	2,302,570	2,399,589	2,446,421	3,113,710
Total business-type activities	35,088,155	35,110,662	36,288,418	38,110,513
Total all activities	\$ 82,174,014	\$ 83,584,695	\$ 87,235,175	\$ 92,719,817

2014	2015	2016	2017	2018	2019
\$ 16,404,854	\$ 15,160,901	\$ 14,023,404	\$ 15,237,806	\$ 16,128,883	\$ 17,615,169
20,150,643	22,476,557	23,951,068	26,837,846	28,499,674	31,616,925
19,233,864	22,300,425	25,769,578	27,654,814	29,833,280	37,096,813
5,617,151	6,501,612	7,677,894	7,590,806	8,201,097	7,995,062
1,695,011	1,641,360	1,445,842	1,450,707	1,428,837	1,337,305
63,101,523	68,080,855	72,867,786	78,771,979	84,091,771	95,661,274
13,259,467	14,462,500	14,817,848	14,838,232	15,599,176	18,519,142
4,406,190	4,555,574	5,925,682	6,291,869	8,695,784	9,849,461
3,047,542	3,493,118	4,117,364	4,004,389	4,256,104	4,480,720
8,231,592	7,985,659	8,054,679	11,365,376	22,442,714	25,748,740
2,426,425	2,723,815	2,777,471	2,879,397	2,874,399	3,020,217
5,117,001	6,210,318	6,600,250	6,691,990	7,087,816	8,084,639
3,763,554	4,346,027	5,315,651	5,831,788	5,758,964	6,233,635
40,251,771	43,777,011	47,608,945	51,903,041	66,714,957	75,936,554
\$ 103,353,294	\$ 111,857,866	\$ 120,476,731	\$ 130,675,020	\$ 150,806,728	\$ 171,597,828



TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS

GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN YEARS

TABLE 8 (UNAUDITED)

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Year	General Government	Public Safety	Public Works	Culture and Recreation
2010	\$ 8,271,876	\$ 15,156,615	\$ 8,115,952	\$ 2,816,418
2011	8,645,829	15,926,597	8,463,180	3,093,878
2012	8,897,958	17,050,118	8,666,415	3,647,476
2013	9,711,316	18,362,513	9,712,423	3,384,239
2014	15,328,617	19,917,911	10,009,814	3,668,965
2015	12,756,053	22,187,805	13,155,869	3,929,160
2016	12,308,420	23,545,337	15,706,515	4,858,749
2017	13,937,216	25,971,232	16,239,204	4,712,621
2018	14,895,787	29,010,161	17,695,519	5,341,350
2019	16,413,940	30,490,734	24,577,746	5,464,112

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Capital Outlay		Debt Service		Total	
\$	2,703,831	\$	1,897,889	\$	38,962,581
	4,377,360		1,888,478		42,395,322
	7,134,263		2,253,765		47,649,995
	13,354,103		2,936,229		57,460,823
	46,800,960		3,415,821		99,142,088
	33,319,262		3,493,626		88,841,775
	19,132,373		3,548,645		79,100,039
	12,269,269		2,929,690		76,059,232
	16,282,437		2,690,709		85,915,963
	25,849,836		5,250,247		108,046,615

TOWN OF CASTLE ROCK, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

TABLE 9 (UNAUDITED)

Fiscal Year Ended December 31,	Collection Year	Taxes Levied For The Fiscal Year <sup>(2)</sup>	Collection <sup>(1)</sup> Within The Fiscal Year Of The Levy	
			Amount	Percentage of Levy
2009	2010	\$ 1,124,165	\$ 1,108,442	98.60%
2010	2011	1,131,997	1,111,298	98.17%
2011	2012	987,408	969,273	98.16%
2012	2013	990,408	968,092	97.75%
2013	2014	1,026,278	1,005,361	97.96%
2014	2015	1,058,617	1,026,471	96.96%
2015	2016	1,116,841	1,095,063	98.05%
2016	2017	1,165,838	1,174,213	100.72%
2017	2018	1,282,528	1,330,579	103.75%
2018	2019	1,353,067	1,483,121	109.61%

(1) Does not include Douglas County's collection fee, which is shown as an expenditure in the General Fund.

(2) Source: Douglas County Assessor's Office

(3) Subsequent collections/(abatements) information is not available by levy year prior to 2008.

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Collections/ Abatements for Previous Years <sup>(3)</sup>	Total Collections To Date	
	Amount	Percentage Of Levy
\$ (502)	\$ 1,107,940	98.56%
(3,578)	1,107,720	97.86%
(19,760)	949,513	96.16%
(10,209)	957,883	96.72%
(1,289)	1,004,072	97.84%
(1,907)	1,024,564	96.78%
(726)	1,094,337	97.99%
(735)	1,174,213	100.72%
(1,943)	1,328,636	103.60%
(3,065)	1,480,056	109.39%

TOWN OF CASTLE ROCK, COLORADO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

TABLE 10 (UNAUDITED)

Levy Year	Residential Property	Vacant Land	Commercial Property	Industrial Property	State Assessed
2010	\$ 376,825,900	\$ 75,767,200	\$ 301,168,230	\$ 14,342,580	\$ 890,780
2011	335,766,520	46,466,680	296,102,250	13,396,380	796,280
2012	343,534,020	41,984,700	302,196,130	13,032,070	2,774,279
2013	363,579,780	40,563,930	309,448,920	12,938,450	2,307,357
2014	385,083,220	35,092,890	337,469,940	13,435,230	1,969,800
2015	485,560,640	47,388,740	375,941,270	14,240,470	1,800,300
2016	509,222,200	49,095,430	381,534,780	14,863,020	1,882,500
2017	573,096,130	68,923,730	429,115,590	17,470,040	2,001,100
2018	603,391,330	62,684,170	442,210,700	18,469,810	2,316,000
2019	722,174,210	71,047,980	500,811,820	21,247,350	1,735,800

Source: Douglas County Assessor's Office

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Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value As a Percentage of Actual Value
\$ 38,356,110	\$ 141,699,000	\$ 665,651,800	1.703	\$ 5,598,309,357	11.89%
39,441,080	151,313,130	580,656,060	1.703	4,926,886,030	11.79%
36,766,720	158,721,130	581,566,789	1.703	5,009,979,842	11.61%
40,280,646	166,489,830	602,629,253	1.703	5,256,549,586	11.46%
39,792,780	191,225,000	621,618,860	1.703	5,519,719,668	11.26%
41,129,400	208,224,000	757,836,820	1.474	6,900,625,147	10.98%
44,165,470	209,215,200	791,548,200	1.470	7,220,343,810	10.96%
46,598,790	210,541,040	926,664,340	1.330	9,019,519,393	10.27%
51,076,660	212,733,520	967,415,150	1.330	9,461,004,673	10.23%
55,885,140	234,543,980	1,138,358,320	1.196	11,343,649,284	10.04%

TOWN OF CASTLE ROCK, COLORADO

PROPERTY TAX RATES (MILLS)  
DIRECT AND OVERLAPPING GOVERNMENTS <sup>(1)</sup>  
LAST TEN YEARS  
TABLE 11 (UNAUDITED)

		Direct Rate							
Levy Year	Collection Year	Town <sup>(3)</sup>	Douglas County School District RE-1	Douglas County <sup>(4)</sup>	Cedar Hill Cemetery	Cherry Creek Basin Authority	Douglas County Library District	Castle Oaks	Castlewood Ranch
2010	2011	1.703	46.890	24.274	0.157	0.441	4.034	50.000	40.000
2011	2012	1.703	48.788	24.274	0.149	0.500	4.040	50.000	45.000
2012	2013	1.703	48.727	24.274	0.168	0.500	4.068	50.000	45.000
2013	2014	1.703	48.277	24.274	0.187	0.500	4.029	50.000	45.000
2014	2015	1.703	48.277	24.274	0.187	0.500	4.032	50.000	45.000
2015	2016	1.474	42.439	24.274	0.160	0.449	4.035	50.000	40.000
2016	2017	1.474	41.064	23.774	0.162	0.437	4.016	50.000	40.000
2017	2018	1.330	38.996	24.274	0.148	0.453	4.021	55.277	40.000
2018	2019	1.330	44.950	24.274	0.148	0.479	4.008	50.422-55.277	40.000
2019	2020	1.196	43.839	23.774	0.128	0.451	4.023	49.000-55.664	40.000

(1) Because no single parcel of property located within the Town's boundaries is located within every entity shown, the table is not indicative of the actual or potential burden upon any single property.

(2) The metropolitan districts fall within the Town's limits and property taxes are collected to fund debt repayment. The mill levy assessed represents ranges based on the individual district's mill levy.

(3) The only component in the Direct Rate is the General Operating Expenses.

(4) Includes law enforcement authority levy.

(5) Dawson Ridge Metro District was issued refunds and abatements in 2015

Source: Douglas County Assessor's Office

Overlapping Rates									
Metro Districts (2)									
Crowfoot Valley Ranch	Crystal Crossing	Crystal Valley I & II	Dawson Ridge 1-5	Founders Village	Lanterns	Maher Ranch	Meadows 1-7	Plum Creek	Villages At Castle Rock 1-9
76.750	50.000	55.940	45.000	79.146	45.000	45.232	35.000	23.000	0-70.000
76.750	60.230	55.940	45.000	79.146	45.000	54.000	35.000	23.000	0-71.282
76.750	61.230	55.940	45.000	79.146	45.000	57.063	35.000	23.000	0-71.536
76.750	62.230	55.940	45.000	79.146	45.000	57.063	35.000	23.000	0-70.000
76.750	62.230	55.940	45.000	79.146	45.000	53.000	35.000	16.650	0-70.000
76.750	62.230	55.940	45-6328.218 (5)	79.146	45.000	42.750	35.000	0.000	0-70.000
76.750	67.230	55.940	45.000	79.146	45.000	40.500	35.000	0.000	0-70.000
84.850	74.091	60.274-60.284	45.000	87.314	45.000	35.500	35.000	0.000	0-76.332
84.850	74.122	60.284	45.000	87.253	74.600	35.500	35.000	0.000	4.373-87.253
85.442	74.625	5.000-54.854	45.000	87.842	75.121	33.500	35.000	0.000	4.402-87.842



TOWN OF CASTLE ROCK, COLORADO

TAXABLE SALES BY CATEGORY

LAST TEN YEARS

TABLE 12 (UNAUDITED)

	2010	2011	2012	2013
Food & General Merchandise	\$ 7,201,354	\$ 8,257,628	\$ 8,829,818	\$ 9,408,215
Apparel & Accessories	4,220,818	5,004,730	5,684,757	6,327,660
Hotels, Restaurants & Bars	2,576,437	3,053,783	3,598,225	4,012,913
Misc Retail	2,102,991	2,591,034	2,572,575	2,924,378
Utilities	1,558,866	1,830,558	1,771,021	1,983,954
Audit & Collections Revenue	378,622	314,205	74,615	69,524
Communications	1,097,141	1,197,043	1,329,834	1,209,491
Home & Garden	1,671,241	1,762,161	2,150,650	2,406,044
Autos & Auto Items	950,325	1,231,105	1,585,930	1,677,871
Furniture & Home Décor	446,225	485,242	616,076	849,162
Leasing & Rentals	427,722	455,851	420,846	450,731
Services	567,152	615,334	528,748	630,009
Agriculture & Construction	147,630	178,302	461,286	593,868
Wholesale & Manufacturing	205,904	219,978	388,896	646,284
Total	<u>\$ 23,552,428</u>	<u>\$ 27,196,954</u>	<u>\$ 30,013,277</u>	<u>\$ 33,190,104</u>
Town of Castle Rock Sales Tax Rate	3.6%	4.0% (1)	4.0%	4.0%

Note: Information reflects Town collected sales tax and does not include Douglas County shareback.

(1) Effective January 1, 2011 the Town of Castle Rock reinstated the voter approved 4% sales tax rate from the temporarily reduced 3.6% rate.

Source: Town of Castle Rock Sales Tax Department

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2014	2015	2016	2017	2018	2019
\$ 9,817,626	\$ 10,327,221	\$ 10,896,117	\$ 12,944,153	\$ 14,231,685	\$ 13,530,600
6,662,644	6,974,642	7,376,674	8,147,394	8,144,044	7,659,585
4,279,072	4,646,388	5,335,604	5,580,192	6,006,785	6,453,452
3,219,572	3,464,970	3,765,358	4,168,474	5,164,182	6,228,567
2,106,045	2,080,306	2,036,135	2,108,077	2,254,822	2,307,618
170,701	777,210	448,084	356,768	510,401	1,324,025
1,239,425	1,329,241	1,483,165	1,341,322	1,423,855	1,404,425
2,600,920	2,826,269	3,178,848	3,307,815	3,445,425	3,703,262
1,827,115	2,046,740	2,217,388	2,151,300	2,238,964	2,225,167
1,067,807	1,164,759	1,340,636	1,333,269	1,331,718	1,537,699
517,530	618,217	810,962	937,871	1,073,077	1,238,673
648,057	715,803	1,036,407	1,012,432	985,284	939,705
665,826	754,798	947,715	876,884	859,042	1,557,688
642,773	571,316	880,508	902,483	765,363	663,780
<u>\$ 35,465,113</u>	<u>\$ 38,297,880</u>	<u>\$ 41,753,601</u>	<u>\$ 45,168,434</u>	<u>\$ 48,434,646</u>	<u>\$ 50,774,245</u>
4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

*TOWN OF CASTLE ROCK, COLORADO*

*DIRECT AND OVERLAPPING SALES TAX RATES*

*LAST TEN YEARS*

*TABLE 13 (UNAUDITED)*

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Fiscal Year	Town Direct Rate	Douglas County	State of Colorado
2010	3.6%	1.0%	2.9%
2011	4.0% (1)	1.0%	2.9%
2012	4.0%	1.0%	2.9%
2013	4.0%	1.0%	2.9%
2014	4.0%	1.0%	2.9%
2015	4.0%	1.0%	2.9%
2016	4.0%	1.0%	2.9%
2017	4.0%	1.0%	2.9%
2018	4.0%	1.0%	2.9%
2019	4.0%	1.0%	2.9%

(1) Effective January 1, 2011 the Town of Castle Rock reinstated the voter approved 4% sales tax rate from the temporarily reduced 3.6% rate.

Source: Colorado Department of Revenue



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TOWN OF CASTLE ROCK, COLORADO

PRINCIPAL SALES TAX REMITTERS  
CURRENT YEAR AND NINE YEARS AGO  
TABLE 14 (UNAUDITED)

Remitter	2019			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Food & General Merchandise	98	1.86%	\$ 13,530,600	26.65%
Apparel & Accessories	168	3.19%	7,659,585	15.09%
Hotels, Restaurants & Bars	233	4.43%	6,453,452	12.71%
Misc Retail	1,002	19.04%	5,500,315	10.83%
Home & Garden	86	1.63%	3,703,262	7.29%
Utilities	3	0.06%	2,307,618	4.54%
Autos & Auto Items	122	2.32%	2,225,167	4.38%
Agricultural and Construction	182	3.46%	1,557,688	3.07%
Furniture & Home Décor	150	2.85%	1,537,699	3.03%
Communications	139	0.00%	1,404,425	2.77%
Staff Revenue Enhancement	n/a	0.00%	-	0.00%
Total top ten categories	2,183	48.65%	\$ 45,879,810	94.73%
All other categories	3,079	68.62%	\$ 4,894,435	10.11%
Total	5,262	117.27%	\$ 50,774,245	100.00%

Source: Town of Castle Rock Sales Tax Department

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2010			
Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
74	2.38%	\$ 7,201,354	30.58%
140	4.50%	4,220,818	17.92%
150	4.82%	2,576,437	10.94%
703	22.58%	2,102,991	8.93%
83	2.67%	1,671,241	7.10%
4	0.13%	1,558,866	6.62%
98	3.15%	950,325	4.03%
n/a	0.00%	\$ -	0.00%
93	2.99%	446,225	1.89%
166	5.33%	1,097,141	4.66%
1	0.03%	378,622	1.61%
1,512	48.57%	\$ 22,204,020	94.27%
1,601	51.43%	\$ 1,348,408	5.73%
3,113	100.00%	\$ 23,552,428	100.00%



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*Debt Capacity*





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TOWN OF CASTLE ROCK, COLORADO

RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS  
TABLE 15 (UNAUDITED)

Year	Governmental Activities				Business-type Activities	
	Revenue Bonded Debt (1)	Certificates of Participation	Capital Leases	Notes Payable	Revenue Bonded Debt (1)	Certificates of Participation
2010	\$ 13,929,558	\$ -	\$ 1,254,835	\$ -	\$ 28,405,000	\$ 72,315,380
2011	13,359,418	-	630,201	-	27,026,017	70,755,000
2012	12,374,278	-	269,967	-	26,219,826	69,280,000
2013	33,883,784	9,245,000	220,087	-	24,465,179	67,730,000
2014	32,694,171	8,910,000	938,402	-	22,642,606	66,115,000
2015	31,464,558	8,570,000	625,602	-	21,886,625	64,425,000
2016	30,913,842	8,220,000	312,801	2,500,000	76,922,774	-
2017	30,193,577	7,865,000	-	2,375,000	72,601,088	-
2018	29,368,312	7,505,000	-	2,250,000	68,144,403	-
2019	28,038,047	7,130,000	-	-	63,562,717	-

(1) Presented net of discounts and premiums

(2) Personal income is disclosed on Table 22

(3) US Census Bureau

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Capital Leases	Notes Payable	Total Government	Percentage of Personal Income (2)	Population (3)	Per Capita	
\$ 317,891	\$ -	\$ 116,222,664	5.17	48,150	2,414	
210,651	-	111,981,287	4.76	49,949	2,242	
97,558	-	108,241,629	4.45	51,573	2,099	
130,799	-	135,674,849	5.31	54,238	2,501	
96,173	-	131,396,352	4.92	56,645	2,320	
315,040	-	127,286,825	4.55	59,189	2,151	
439,925	-	119,309,342	4.12	62,188	1,919	
297,145	-	113,331,810	4.48	65,520	1,730	
150,452	-	107,418,167	3.85	69,388	1,549	
407,441	4,500,000	103,638,205	3.37	72,168	1,436	

TOWN OF CASTLE ROCK, COLORADO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN YEARS

TABLE 16 (UNAUDITED)

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Year	Population	Gross General Obligation Bonds	Net Bonded Debt	Percent of Assessed Property Tax Value	Per Capita
2010	48,150	\$ -	\$ -	0%	\$ -
2011	49,949	-	-	0%	-
2012	51,573	-	-	0%	-
2013	54,238	-	-	0%	-
2014	56,645	-	-	0%	-
2015	59,189	-	-	0%	-
2016	62,188	-	-	0%	-
2017	65,520	-	-	0%	-
2018	69,338	-	-	0%	-
2019	72,168	-	-	0%	-

Source: Town of Castle Rock Finance Department.

TOWN OF CASTLE ROCK, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2019

TABLE 17 (UNAUDITED)

	Assessed	Bonds	Applicable Net Debt	
	Valuation	Outstanding	%	Amount
<u>Governmental Entity</u>				
Overlapping Debt: <sup>(1)</sup>				
Douglas County School District Re-1	\$ 7,289,075,050	\$ 455,050,000	15.617%	\$ 71,066,624
Castle Oaks Metro District #1, 3, 4	51,328,070	49,675,000	100.000%	49,675,000
Castle Pines Commercial Metro #1-4	28,684,760	5,485,000	100.000%	5,485,000
Castlewood Ranch Metro District	42,263,000	16,015,000	100.000%	16,015,000
Crowfoot Valley Ranch District #2	615,230	31,945,000	100.000%	31,945,000
Crystal Crossing Metro District	10,835,960	8,280,000	100.000%	8,280,000
Crystal Valley Metro District #2	58,052,340	60,090,000	100.000%	60,090,000
Lanterns Metro #1	13,760	22,120,000	100.000%	22,120,000
Maher Ranch Metro District #4	35,330,040	17,183,000	100.000%	17,183,000
Meadows Metro District #1, 2, 7	137,663,570	70,000,000	100.000%	70,000,000
Pinery West Metro #2	45,337,480	10,780,000	100.000%	10,780,000
Promenade at CR Metro #1	5,600,980	33,820,000	100.000%	33,820,000
Villages at Castle Rock Metro District #6, 7	61,928,870	46,241,750	100.000%	46,241,750
Subtotal, overlapping debt	<u>\$ 7,766,729,110</u>	<u>\$ 826,684,750</u>		<u>\$ 442,701,373</u>
The Town of Castle Rock direct debt <sup>(2)</sup>				<u>35,168,047</u>
Total direct and overlapping debt				<u>\$ 477,869,420</u>

(1) This amount includes General Obligation Bonded Debt. The following entities also overlap the Town, but have no general obligation debt outstanding: Bella Mesa Metro, Castle Oaks Metro #2, Castle Pines Commercial Metro #5, Castle Rock Fire Protection, Castleton Center Water and Sanitation, Castlevue Metro #2, Cedar Hills Cemetery, Cherry Creek Basin Water Quality Authority, Crowfoot Valley Ranch Metro #1, Crystal Valley Metro #1, Dawson Ridge Metro #1-5, Douglas County, Douglas County Law Enforcement Authority, Douglas County Public Library, Founders Village Metro, Franktown Fire Protection, Hillside at Castle Rock Metro, Lanterns Metro #2-5, Meadows Metro #3-6, Promenade at Castle Rock Metro #2-3, Silver Heights Water and Sanitation, Villages at Castle Rock Metro #4 and #9, Westfield Metro #1-2

(2) The Town of Castle Rock does not have any General Obligation Bonded Debt. The total direct debt does not include accrued leave.

Sources: Douglas County Assessor's Office as reported by the Special Districts.  
Douglas County Finance Department  
The Town of Castle Rock

TOWN OF CASTLE ROCK, COLORADO

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

TABLE 18 (UNAUDITED)

Estimated Actual Property Value: \$ 11,343,649,284

Debt Limit:

3% of Estimated Actual Real Estate Value \$ 340,309,479

Amount of Debt Applicable to Debt Limit:

Gross debt \$ 103,638,205

Less:	Sales Tax Revenue Bonds	\$	(28,038,047)	
	Parks Capital COP's		(7,130,000)	
	Capital Leases		(407,441)	
	Golf Course Revenue Bonds		(3,525,000)	
	Water & Wastewater Revenue Bonds		(60,037,717)	
	Notes Payable		(4,500,000)	
	Total			(103,638,205)

Total Debt Applicable to Debt Limit -

Legal Debt Margin \$ 340,309,479

Year	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2010	167,949,281	-	167,949,281	0%
2011	180,142,540	-	180,142,540	0%
2012	184,176,313	-	184,176,313	0%
2013	193,320,732	-	193,320,732	0%
2014	165,591,590	-	165,591,590	0%
2015	207,018,754	-	207,018,754	0%
2016	216,610,314	-	216,610,314	0%
2017	270,585,582	-	270,585,582	0%
2018	283,830,140	-	283,830,140	0%
2019	340,309,479	-	340,309,479	0%

Sources: Douglas County Assessor's Office  
Town of Castle Rock Finance Department

TOWN OF CASTLE ROCK, COLORADO

PLEDGED REVENUE COVERAGE

LAST TEN YEARS

TABLE 19 (UNAUDITED)

Transportation Revenue Bonds

Year	Sales and Use Tax Revenues <sup>(1)</sup>	Annual Debt Service				Maximum Annual Debt Service	
		Principal	Interest	Total	Coverage Ratio <sup>(2)</sup>	Principal and Interest <sup>(3)</sup>	Coverage Ratio <sup>(2)</sup>
2010	\$ 10,577,706	\$ 540,000	\$ 683,875	\$ 1,223,875	8.64	\$ 1,603,263	6.60
2011	11,368,971	550,000	664,113	1,214,113	9.36	1,603,263	7.09
2012	12,894,363	965,000	633,550	1,598,550	8.07	1,603,263	8.04
2013	14,436,450	1,000,000	1,237,454	2,237,454	6.45	2,475,051	5.83
2014	15,178,290	1,050,000	1,424,400	2,474,400	6.13	2,475,051	6.13
2015	16,480,927	1,090,000	1,381,363	2,471,363	6.67	2,475,051	6.66
2016	18,524,010	1,140,000	1,223,366	2,363,366	7.84	2,257,375	8.21
2017	19,750,910	485,000	1,164,850	1,649,850	11.97	2,257,375	8.75
2018	21,515,986	590,000	1,156,538	1,746,538	12.32	2,257,375	9.53
2019	22,306,142	1,095,000	1,137,938	2,232,938	9.99	2,257,375	9.88

(1) Pledged sales and use tax revenue collected at a rate of 1.35%.

(2) Coverage ratio equals net pledged revenue divided by total bond principal and interest.

(3) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the remaining Bonds.

TOWN OF CASTLE ROCK, COLORADO

PLEDGED REVENUE COVERAGE (CONTINUED)  
LAST TEN YEARS  
TABLE 20 (UNAUDITED)

Water and Wastewater Fund Revenue Bonds and Notes									
Year	Gross Resources <sup>(1)</sup>	Expenses <sup>(2)</sup>	Net Pledged Revenue <sup>(3)</sup>	Annual Debt Service			Coverage Ratio <sup>(5)</sup>	Max Annual Debt Service	
				Principal	Interest	Total		Principal and Interest <sup>(4)</sup>	Coverage Ratio <sup>(5)</sup>
2010	\$ 20,979,999	\$ 13,977,131	\$ 7,002,868	\$ 1,457,288	\$ 975,205	\$ 2,432,493	2.88	\$ 2,456,186	2.85
2011	22,194,524	14,616,968	7,577,556	1,245,000	932,902	2,177,902	3.48	2,197,511	3.45
2012	23,818,959	15,267,864	8,551,095	1,295,000	847,760	2,142,760	3.99	2,197,511	3.89
2013	25,121,449	16,159,510	8,961,939	1,360,000	740,067	2,100,067	4.27	2,115,175	4.24
2014	23,720,192	16,183,854	7,536,338	1,415,000	686,587	2,101,587	3.59	2,115,175	3.56
2015	30,545,872	16,060,202	14,485,670	1,490,000	590,274	2,080,274	6.96	2,087,125	6.94
2016	51,193,244	18,073,847	33,119,397	4,460,000	1,417,194	5,877,194	5.64	5,866,200	5.65
2017	58,840,495	21,551,190	37,289,305	3,270,000	2,459,971	5,729,971	6.51	5,866,200	6.36
2018	63,781,051	35,614,879	28,166,172	3,395,000	2,357,383	5,752,383	4.90	5,866,200	4.80
2019	69,724,334	42,809,302	26,915,032	3,510,000	2,269,536	5,779,536	4.66	5,866,200	4.59

(1) Gross resources include all operating revenues, system development fees and investment earnings. Prior to the issuance of the 2016 Bonds, the definition of Gross resources specifically excluded the Water Resource Fee and Renewable Water rates and charges imposed pursuant to the Municipal Code. However those revenues are pledged to the 2016 Bonds. The Bond Ordinance specifically extends the pledge of those revenues to the Prior Bonds.

(2) This figure includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, interest paid on outstanding bonds and gains or losses from sale of capital assets.

(3) Net pledged revenue equals gross resources minus expenses.

(4) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the remaining Revenue Bonds and Notes.

(5) Coverage ratio equals net pledged revenue divided by the total principal and interest.



TOWN OF CASTLE ROCK, COLORADO

PLEDGED REVENUE COVERAGE (CONTINUED)

LAST TEN YEARS

TABLE 21 (UNAUDITED)

Golf Fund Revenue Bonds									
Year	Gross Resources <sup>(1)</sup>		Net Pledged Revenue <sup>(3)</sup>	Annual Debt Service				Max Annual Debt Service	
	Resources <sup>(1)</sup>	Expenses <sup>(2)</sup>		Principal	Interest	Total	Coverage Ratio <sup>(4)</sup>	Principal and Interest <sup>(5)</sup>	Coverage Ratio <sup>(6)</sup>
2010	\$ 2,421,716	\$ 1,771,832	\$ 649,884	\$ 260,000	\$ 285,703	\$ 545,703	1.19	\$ 546,465	1.19
2011	2,577,711	1,756,922	820,789	270,000	275,270	545,270	1.51	546,465	1.50
2012	2,733,776	1,913,697	820,079	280,000	264,408	544,408	1.51	546,465	1.50
2013	2,759,049	1,933,739	825,310	290,000	252,793	542,793	1.52	546,465	1.51
2014	2,856,262	2,033,178	823,084	305,000	240,351	545,351	1.51	546,465	1.51
2015	2,868,145	2,185,373	682,772	405,000	127,033	532,033	1.28	500,815	1.36
2016	3,063,507	2,340,670	722,837	355,000	142,297	497,297	1.45	500,815	1.44
2017	3,153,148	2,437,308	715,840	365,000	132,120	497,120	1.44	500,815	1.43
2018	3,224,390	2,440,456	783,934	375,000	121,657	496,657	1.58	500,815	1.57
2019	3,287,340	2,587,352	699,988	385,000	110,909	495,909	1.41	500,815	1.40

(1) Gross resources include all operating revenues, investment earnings and transfers in.  
(2) Expenses include all operating expenses less depreciation and amortization.  
(3) Net pledged revenue equals gross resources minus expenses.  
(4) Coverage ratio equals net pledged revenue divided by total bond principal and interest.  
(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the remaining Revenue Bonds and Notes.  
(6) Coverage ratio equals net pledged revenue divided by the total principal and interest.



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*Demographic and Economic Information*



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TOWN OF CASTLE ROCK, COLORADO

DEMOGRAPHIC INFORMATION AND ECONOMIC STATISTICS

LAST TEN YEARS

TABLE 22 (UNAUDITED)

Year	Estimated Population		Personal Income <sup>(2)</sup> (Thousands of Dollars)	Per Capita Income		Median Age	
2010	48,150	(1)	\$ 17,514,402	\$ 46,665	(3)	35.9	(3)
2011	49,949	(1)	20,801,664	47,147	(6)	33.8	(6)
2012	51,573	(1)	21,737,873	47,147	(6)	33.8	(6)
2013	54,238	(1)	22,858,414	47,147	(6)	33.8	(6)
2014	56,645	(1)	23,175,877	47,147	(6)	33.8	(6)
2015	59,189	(1)	19,136,533	47,255	(1)	35.0	(1)
2016	62,188	(1)	21,277,108	46,534	(1)	34.8	(1)
2017	65,520	(7)	22,063,919	38,610	(1)	34.6	(1)
2018	69,338	(7)	23,875,828	40,236	(1)	34.8	(1)
2019	72,168	(7)	25,249,718	42,611	(1)	35.2	(1)

Sources:

- (1) US Census Bureau
- (2) U. S. Bureau of Economic Analysis. Information is for Douglas County
- (3) Castle Rock Economic Development Council
- (4) Colorado Department of Labor. Information is for Douglas County
- (5) Douglas County School District
- (6) US Census Bureau - 2010 Census
- (7) Town of Castle Rock Development Services Department

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Average Household Size		Unemployment Rate <sup>(4)</sup>	Public School Enrollment <sup>(5)</sup>
2.88	(1)	7.0%	11,854
2.86	(6)	6.0%	12,686
2.86	(6)	5.8%	13,013
2.85	(1)	4.7%	13,265
2.85	(1)	3.2%	13,808
2.89	(1)	3.1%	13,714
2.76	(1)	2.7%	13,693
2.84	(1)	2.4%	14,174
2.92	(1)	2.4%	14,405
2.88	(1)	2.9%	13,833

## TOWN OF CASTLE ROCK, COLORADO

### PRINCIPAL EMPLOYERS

#### CURRENT YEAR AND NINE YEARS AGO

TABLE 23 (UNAUDITED)

Company	2019		Percentage of Total Town Employment
	Number of FTEs*	Rank	
Douglas County	1500-2000	1	10%
Douglas County School District	1000-1500	2	8%
Town of Castle Rock	501-750	3	4%
Castle Rock Adventist Hospital	501-750	4	4%
Castle Rock Homes / Keller Williams	400	5	2%
Wal-Mart	251-500	6	3%
Kroger / King Soopers	251-350	7	2%
Kohl's	101-250	8	1%
Brookside Inn	101-250	9	1%
Sam's Club	101-250	10	1%
Medved Autoplex	n/a	n/a	-
Philip S. Miller Library	n/a	n/a	-
Lowe's	n/a	n/a	-
Home Depot	n/a	n/a	-

\* Full time employee equivalents that work in the Castle Rock area.

Source: Castle Rock Economic Development Council (Castle Rock EDC)

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2010		
Number of FTEs*	Rank	Percentage of Total Town Employment
1000-1500	2	11%
1000-1500	1	11%
251-500	3	4%
n/a	n/a	-
n/a	n/a	-
251-500	4	4%
101-250	5	2%
n/a	n/a	-
101-250	6	2%
n/a	n/a	-
101-250	7	2%
101-250	8	2%
101-250	9	2%
101-250	10	2%



TOWN OF CASTLE ROCK, COLORADO

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
TABLE 24 (UNAUDITED)

Taxpayer	Type of Business	Rank	2019	
			Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
<u>Utilities</u>				
Intermountain Rural Electric Assoc	Electric	1	\$ 76,618,040	6.73%
Public Service Co of Colorado (XCEL)	Telecommunications	2	64,290,300	5.65%
QWEST Corporation / Centurylink Communications	Telecommunications	3	42,370,200	3.72%
Burlington Northern Santa Fe Railway Company	Railroad	5	11,889,500	1.04%
Union Pacific Corp.	Railroad	6	9,910,600	0.87%
Comcast of Colorado X LLC	Telecommunications	8	6,416,090	0.56%
DIRECTV Operations	Telecommunications	n/a		
TOTAL UTILITIES			\$ 211,494,730	18.58%
<u>Non-Utility</u>				
Craig Realty Group Castle Rock, LLC	Commercial	4	\$ 24,492,050	2.15%
Castle Rock Development Company	Commercial	10	5,719,820	0.50%
Dillon Companies Inc	Commercial	9	6,290,580	0.55%
Richmond American Homes of Colorado Inc	Real Estate	7	9,517,180	0.84%
Park Meadows Mall LLC	Retail	n/a		
HCA HealthOne LLC	Healthcare	n/a		
Plaza Drive Properties LLC	Real Estate	n/a		
Target Corporation	Retail	n/a		
Visa USA Inc	Financial Services	n/a		
TOTAL NON-UTILITY			\$ 46,019,630	4.04%
Other Taxpayers			\$ 880,843,960	77%
Assessed Valuation			\$ 1,138,358,320	100%

Source: Douglas County Treasurer's Office

2010		
Rank	Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
5	\$ 28,118,500	4.22%
4	36,830,000	5.53%
3	38,649,200	5.81%
n/a		
n/a		
n/a		
10	13,560,230	2.04%
	<u>\$ 117,157,930</u>	<u>17.60%</u>
6	\$ 18,636,080	2.80%
n/a		
n/a		
n/a		
1	\$ 62,380,020	9.37%
2	\$ 50,269,000	7.55%
7	\$ 18,322,630	2.75%
8	\$ 16,442,270	2.47%
9	\$ 16,201,070	2.43%
	<u>\$ 182,251,070</u>	<u>27.38%</u>
	\$ 366,242,820	55.02%
	\$ 665,651,820	100.00%



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*Operating Information*

TOWN OF CASTLE ROCK, COLORADO

FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 25 (UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
General government	60	61	64	67	70	81	78	97	90	96
Public safety	138	145	141	161	161	163	174	189	205	219
Public works	43	41	39	40	38	40	38	47	54	63
Cultural and recreation	21	20	20	21	21	21	25	28	30	30
Water	44	41	41	47	47	55	59	67	66	75
Water resources	4	2	2	2	3	3	4	6	8	7
Wastewater	7	7	5	5	4	4	3	4	5	8
Stormwater	8	6	4	5	8	8	10	11	11	10
Golf	9	6	6	6	6	8	8	12	10	11
Community center	17	16	16	15	16	16	17	20	26	22
Development services	14	13	9	23	28	32	41	49	54	49
Total	365	358	347	392	402	431	454	530	558	590

Source: Town of Castle Rock Finance Department

TOWN OF CASTLE ROCK, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 26 (UNAUDITED)

Function/Program	2010	2011	2012
<u>Governmental activities:</u>			
General government			
Number of payroll checks issued	14,596	14,746	15,167
Number of new employees hired	34	28	30
Number of resolutions passed	85	84	82
Number of ordinances passed	47	35	31
Public safety			
Number of arrests	666	1,177	380
Number of police calls	52,376	52,267	56,266
Number of fire calls	80	62	77
Number of medical calls	2,350	2,303	2,539
Public works			
Number of snow removal hours	4,143	5,558	3,442
Culture and recreation			
Number of golf rounds	31,121	31,987	36,201
Recreation center attendance	249,668	260,397	290,772
<u>Business-type activities:</u>			
Water			
Number of customer accounts	15,682	15,702	16,520
Average daily consumption - million gallons	5.71	5.85	6.56
Development Services			
Number of new construction permits issued	378	331	539
Number of remodel permits issued	2,573	1,964	5,200

(1) Includes attendance for new Miller Activity Complex.

Sources: Town of Castle Rock Finance, Town Clerk, Police, Fire,  
Public Works, and Utilities Departments

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2013	2014	2015	2016	2017	2018	2019
16,012	17,889	18,816	20,231	21,201	22,176	23,665
73	44	65	70	69	72	66
86	110	112	114	105	105	133
40	37	60	42	30	43	42
1,248	1,891	1,271	1,358	1,657	1,561	1,391
64,116	71,062	73,827	73,290	71,690	69,411	69,234
75	56	61	78	89	100	75
2,651	2,812	3,199	3,204	3,529	3,418	3,672
5,016	8,102	7,703	4,597	3,364	2,060	7,728
33,811	35,053	35,086	39,926	40,002	40,756	38,837
304,343	311,209	318,989	435,810 (1)	395,595	374,555	316,473
17,391	18,132	18,961	19,430	20,662	21,878	21,189
6.14	6.06	6.49	7.11	7.27	7.88	7.78
847	828	928	1,212	1,031	1,785	1,043
3,414	2,820	2,907	6,954	2,706	2,260	3,887

TOWN OF CASTLE ROCK, COLORADO

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 27 (UNAUDITED)

Function/Program	2010	2011	2012	2013	2014
<u>Governmental activities:</u>					
General government					
Number of Town-owned facilities	10	10	10	10	11
Public safety					
Number of police stations	1	1	1	1	1
Number of vehicular patrol units	24	24	26	34	34
Number of fire stations	4	4	4	4	4
Public works					
Miles of streets	550	550	550	564	604
Number of traffic signals	27	28	31	31	31
Number of street lighting fixtures	470	470	470	521	521
Culture and recreation					
Acres of developed parks	265	265	276	276	316
Acres of open space	2,645	2,645	2,732	2,732	2,728
Number of pools	3	3	3	3	4
Golf courses	1	1	1	1	1
Number of tennis courts	11	14	11	7	7
Number of ball fields	12	22	22	24	24
<u>Business-type activities:</u>					
Water					
Miles of water mains	370	368	366	382	385
Sanitary sewer and storm:					
Miles of sewer lines	249	254	256	261	263
Miles of storm sewers	180	135	142	142	142

Sources: Town of Castle Rock Finance, Police, Fire, Public Works, and Castle Rock Water Departments



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2015	2016	2017	2018	2019
11	11	11	13	16
1	1	1	1	1
34	37	39	40	45
4	4	4	5	5
619	646	667	689	695
31	36	38	42	43
521	630	639	668	876
533	585	606	611	612
2,778	2,877	2,931	2,925	3,040
4	4	4	4	4
1	1	1	1	1
7	7	7	12	12
24	24	24	20	20
390	393	401	420	455
270	271	275	288	303
143	143	149	157	170

## TOWN OF CASTLE ROCK, COLORADO

### MISCELLANEOUS STATISTICS

AS OF DECEMBER 31, 2019

TABLE 28 (UNAUDITED)

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Date of incorporation	1881
Home rule charter adopted	1987
Form of government	Council - Manager
Area - Square miles	34.3
Population (estimate)	72,168
Fire Protection	
Number of stations	5
Number of paid firefighters	81
Number of volunteer firefighters	4
Police Protection	
Number of stations	1
Number of commissioned officers	79
Number of reserve officers	0
Education - Douglas County School District	
Number of students (Castle Rock schools)	13,833
Number of charter schools	3
Number of magnet schools	1
Number of elementary schools	11
Number of middle schools	2
Number of high schools	5
Building permits issued (includes new construction and remodel)	4,930
Building permits value	\$53,528,771
Employees: (excluding Police and Fire)	
Full-time	365
Part-time	519

Sources: Town of Castle Rock Finance, Police, Fire, Development Services,  
Douglas County School District and US Census Bureau.



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## COMPLIANCE SECTION

*Local Highway Finance Report*

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town of Castle Rock
	YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of _	Prepared By: Katie Baker Phone: 720-733-3589

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	25,070,051
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,025,434
2. General fund appropriations	147,090	b. Snow and ice removal	
3. Other local imposts (from page 2)	31,277,547	c. Other	13,550,939
4. Miscellaneous local receipts (from page 2)	4,304,488	d. Total (a. through c.)	16,576,373
5. Transfers from toll facilities		4. General administration & miscellaneous	450,861
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	147,090
a. Bonds - Original Issues		6. Total (1 through 5)	42,244,374
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,138,538
7. Total (1 through 6)	35,729,125	b. Redemption	1,095,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	2,233,538
<b>C. Receipts from State government</b> (from page 2)	3,440,331	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	648,273	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	39,817,729	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	2,233,538
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	44,477,912

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	26,330,000	0	1,095,000	25,235,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	24,575,309	39,817,729	44,477,912	19,915,125	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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	630,979
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	22,707,788	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	6,473,378	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,096,381	g. Other Misc. Receipts	250,000
6. Total (1. through 5.)	31,277,547	h. Other	3,423,509
c. Total (a. + b.)	31,277,547	i. Total (a. through h.)	4,304,488
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,429,597	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) CDOT FASTER GRANT	1,010,734	f. Other Federal	648,273
f. Total (a. through e.)	1,010,734	g. Total (a. through f.)	648,273
4. Total (1. + 2. + 3.f)	3,440,331	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs	93,908	565,456	659,364
c. Construction:			
(1). New Facilities		5,164,091	5,164,091
(2). Capacity Improvements	6,960,956	491,309	7,452,265
(3). System Preservation	0	10,447,303	10,447,303
(4). System Enhancement & Operation	117,914	1,229,114	1,347,028
(5). Total Construction (1) + (2) + (3) + (4)	7,078,870	17,331,817	24,410,687
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	7,172,778	17,897,273	25,070,051
			(Carry forward to page 1)
Notes and Comments:			



*Town of Castle Rock  
Finance Department  
100 North Wilcox Street  
Castle Rock, Colorado 80104*

*General Information: 303-660-1015  
[www.crgov.com](http://www.crgov.com)*