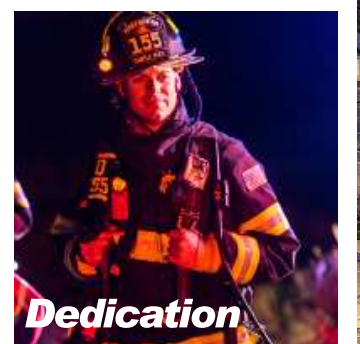
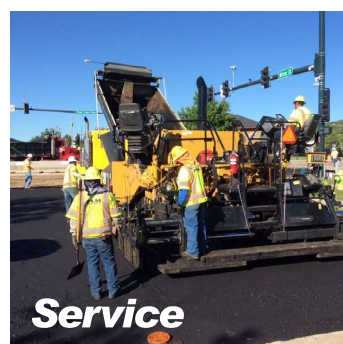




2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DEC. 31, 2020



[CRGOV.COM/FINANCIALREPORTS](https://www.crgov.com/financialreports)





2020 Comprehensive Annual Financial Report

For the Year Ended December 31, 2020

Prepared by the Finance Department



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Business Systems Analyst
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Accounting Manager
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Accountant
Payroll Technician
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Accounting Technician
Accounting Technician
Accounting Technician
Accounting Technician

Budget/Finance Manager
Financial Analyst
Financial Analyst

Revenue Manager
Sales Tax Auditor
Sales Tax Auditor
Sales Tax Auditor
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Sales Tax Specialist
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For questions regarding this report, please contact:

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TOWN OF CASTLE ROCK, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

Letter of Transmittal

Organizational Chart

Directory of Town Officials

Certificate of Achievement for Excellence in Financial Reporting



May 28, 2021

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 of the Town for the year ended December 31, 2020.

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 Comprehensive Annual Financial Report 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 75,857 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 63% 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 1,379 new residential units (single family 1,086 and multi-family 293) and 59 new commercial permits in 2020. 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 31st. The Town holds public hearings on the proposed budget and the Council adopts the original budget by December 15th.

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

Despite the COVID-19 pandemic, the Town continued to experience growth during 2020. 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 3 percent from 2019.

The COVID 19 pandemic has unsettled the world and required significant changes in Town operations. Town employees performed outstandingly, quickly pivoting to required remote working, and then to social distancing, without a significant disruption in services.

To help ensure the health and safety of our workforce and the public we serve, processes were changed to conduct public meetings and staff gatherings via the web; approve documents and payments remotely; and provide recreational opportunities to residents while alternatives were absent or diminished. These are just a few examples of how employees found ways to maintain levels of service under new and challenging conditions during 2020. While the pandemic required changes, like any other strong, yet nimble organization, the Town of Castle Rock and our employees improvised where needed, maintained our focus on service to our community, and used this challenging time to improve operations and services.

Other happenings beyond the pandemic occurred in 2020 around Town such as the Parks and Recreation department earning national accreditation from the Commission for Accreditation of Park and Recreation Agencies. This department also spearheaded the effort to extend trails at Gateway Mesa Open Space, along Sellars Gulch and Covy Court as well as installing a new HVAC unit for the Recreation Center's leisure pool and implementing new recreation registration software. The Town also added a detective, a school resource officer and a training officer to the Police Department and construction was completed on the North Building at the Town's Public Safety Training Facility.

The Town reached substantial completion on upgrades to the Plum Creek Water Purification Facility, which will enable purified reuse water to be provided to the community in early 2021. A pumping facility was also installed to draw water out of East Plum Creek near Sedalia and a line to transport that water back to the Plum Creek Water Purification Facility for treatment. Also completed was the rehabilitation of a critical sewer line in the Memmen Young neighborhood and the Town participated in improvements to the Plum Creek Water Reclamation Authority, which treats the Town's wastewater.

Transportation projects included the widening of Plum Creek Parkway east of Gilbert Street to Eaton Circle, including constructing two new roundabouts. The annual pavement maintenance program included the central Castle Rock area, a Transit Feasibility Study was facilitated during the year and progress toward a future Interstate 25 interchange at Crystal Valley Parkway also occurred.

Economic priorities expanded in 2020 as the Town upgraded the Development Activity Map on CRgov.com, providing greater transparency. The Town also fulfilled its financial obligations for the Encore project, which will add more than 300 public parking spaces adjacent to Festival Park in 2021.

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 2019 Comprehensive Annual Financial Report. 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 thirtieth 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 2019 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,

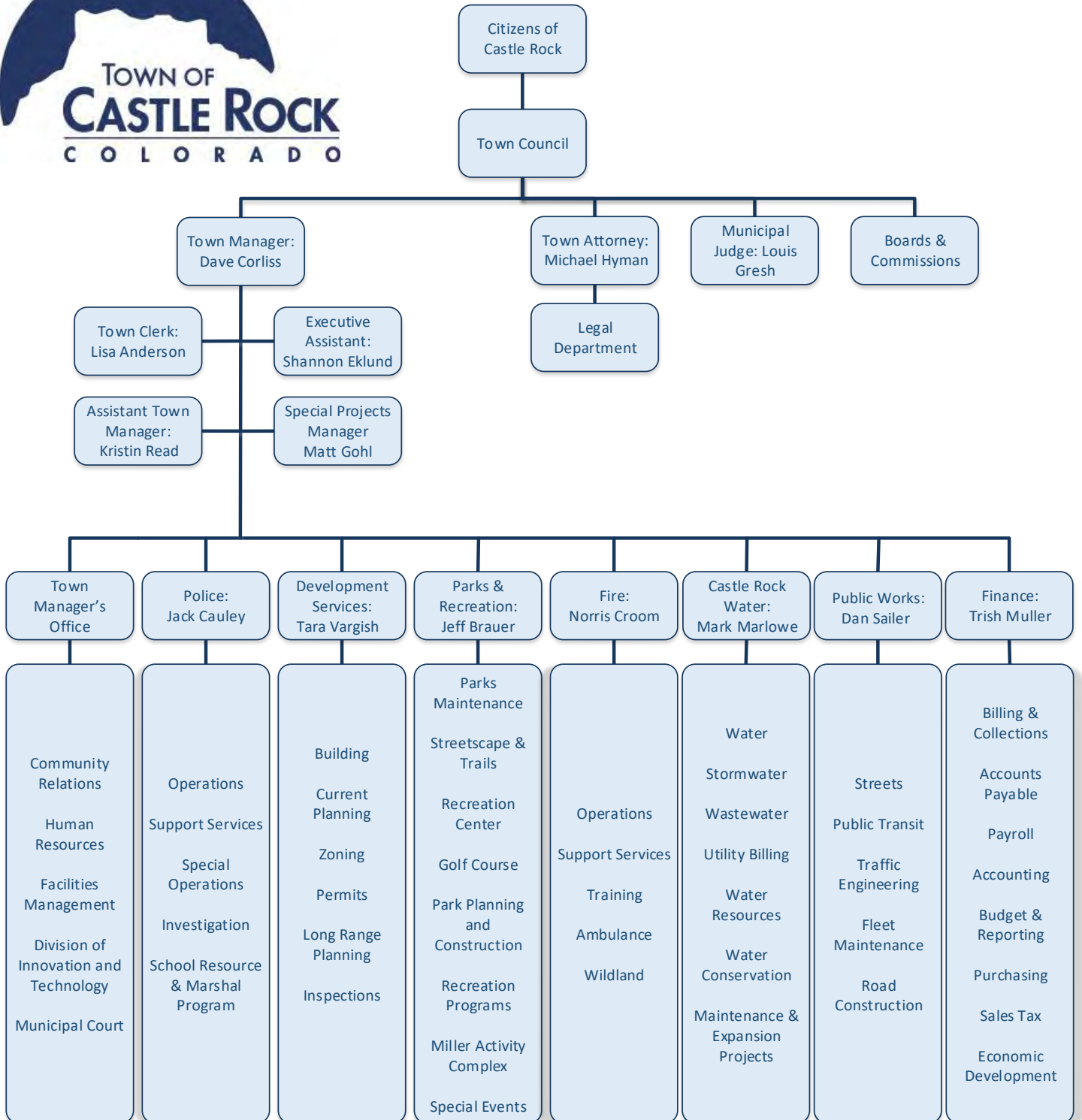
A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is fluid and cursive, with a large initial "D" and "C".

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 2020



**Town of Castle Rock, Colorado
Directory of Town Officials
As of December 31, 2020**

Town Council

Mayor	Jason Gray
Council Member - District 1	Ryan Hollingshead
Council Member - District 2	Laura Cavey
Council Member - District 3 (Mayor Pro Tem)	Kevin Bracken
Council Member - District 4	Desiree LaFleur
Council Member - District 5	Caryn Johnson
Council Member - District 6	Tim Dietz

Appointed Officials

Town Manager	David L. Corliss
Town Attorney	Michael J. Hyman
Municipal Judge	Louis Gresh

Executive Leadership

Director of Development Services	Tara Vargish
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
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Castle Rock
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

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, Colorado
Castle Rock, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Town of Castle Rock, Colorado (the Town), as of and for the year ended December 31, 2020, 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 26.3 percent, 26.7 percent, and 1.5 percent, respectively, of the total assets, net position, and revenues of the Wastewater Enterprise Fund and 3.7 percent, 4.1 percent, and 0.25 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 or the Miller's Landing Business Improvement District, which together represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units of the Town. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Castle Rock Downtown Development Authority and the Miller's Landing Business Improvement District, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements the Plum Creek Water Reclamation Authority, a joint venture of the Town included in the Wastewater Enterprise

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

Fund and business-type activities of the Town, and the financial statements of the Castle Rock Downtown Development Authority and Miller's Landing Business Improvement District, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2020, 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.

Emphasis of Matters

As discussed in Note 1R to the financial statements, in 2020, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, and paragraphs 4 and 5 of Governmental Accounting Standards Board Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Our opinions are not modified with respect to these matters.

As discussed in Note 20 to the financial statements, in 2020, the Town reporting entity changed to include the Miller's Landing Business Improvement District as a discretely presented component unit by restating beginning net position. Our opinions are not modified with respect to this matter.

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

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

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated May 27, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
May 27, 2021



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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, 2020. 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.

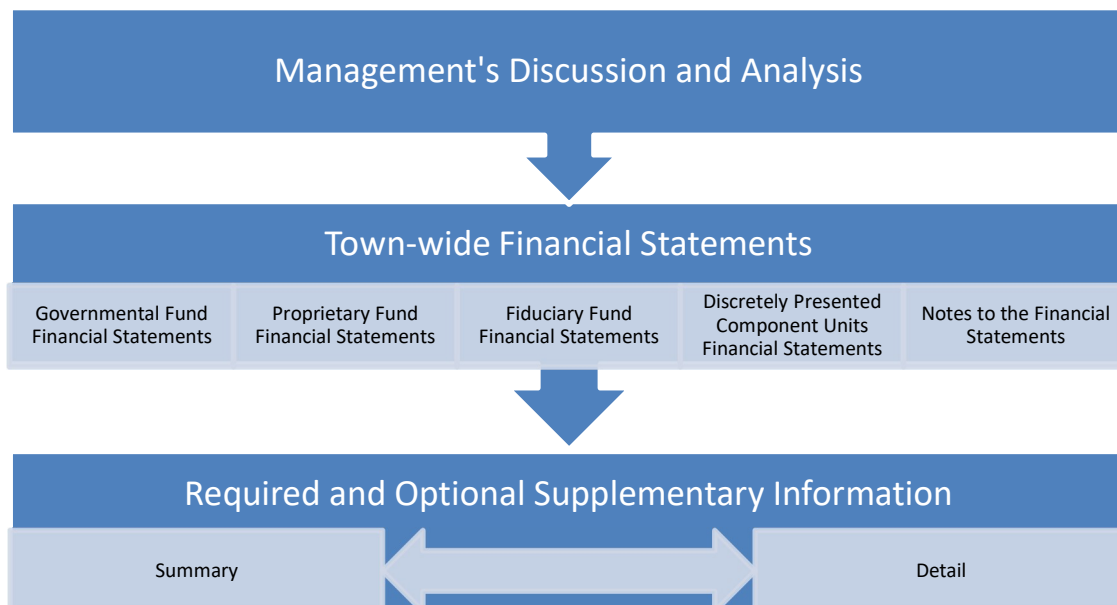
Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$1.2 billion (*net position*). Of this amount, \$195.3 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 \$94.1 million or 9 percent.
- As of December 31, 2020, the Town's governmental funds reported combined ending fund balances of \$93.9 million, an increase of \$39.7 million from 2019.
- The Town's long-term liabilities totaled \$118.8 million at the end of 2020. The \$7.8 million or 7 percent increase from 2019 was primarily due to long-term debt and net pension liability.
- On December 31, 2020, the unassigned fund balance for the General Fund was \$21.1 million, which consisted of three-months cash reserves of \$12.1 million to cover cash flow requirements and unappropriated funds of \$9.0 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 and the Business Improvement District, the two discretely presented component units 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 legally separate entities for which the Town is financially accountable. Financial information for these component units are 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the 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 sixteen individual governmental funds. Information on the Town's major governmental funds; the General Fund, including the Economic Development and Parking Funds, 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.

Fiduciary Funds

The Town adopted GASB Statement No. 84, *Fiduciary Activities*, in 2020. Adoption of GASB 84 required inclusion in the Town's financial statements of a statement of fiduciary net position and statement of changes in fiduciary net position, neither of which were included in prior years. These funds are used to account for resources held by the Town for the benefit of parties outside of the Town government. Fiduciary activities are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. As of December 31, 2020, the Town's fiduciary activities include the following: one Pension Trust Fund and four custodial funds including the Add-on PIF Fund, Special District Fund, Use Tax Fund and Authority Development Fee Fund.

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 2020 and 2019. Based on that comparison, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources (net position) by \$1,169.2 million at the close of 2020. Net position may serve over time as a useful indicator of the Town's financial position.

<p style="text-align: center;">NET POSITION DECEMBER 31, 2020 and 2019 (In thousands)</p>						
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
ASSETS						
Current and other assets	\$ 127,582	\$ 139,669	\$ 267,251	\$ 87,752	\$ 144,129	\$ 231,881
Capital assets	412,563	634,584	1,047,147	401,543	583,374	984,917
Total assets	540,145	774,253	1,314,398	489,295	727,503	1,216,798
DEFERRED OUTFLOWS						
Pension related amounts	4,123	-	4,123	5,090	-	5,090
Loss on refundings	846	617	1,463	454	748	1,202
Total deferred outflows	4,969	617	5,586	5,544	748	6,292
LIABILITIES						
Long-term liabilities	48,956	69,841	118,797	41,109	69,915	111,024
Other liabilities	21,721	6,780	28,501	23,165	10,954	34,119
Total liabilities	70,677	76,621	147,298	64,274	80,869	145,143
DEFERRED INFLOWS						
Pension related amounts	958	-	958	78	-	78
IREA capital credit	1,082	-	1,082	1,375	-	1,375
Property tax	1,405	-	1,405	1,353	-	1,353
Total deferred inflows	3,445	-	3,445	2,806	-	2,806
Net Position						
Net investment in capital assets	376,706	567,916	944,622	361,695	512,560	874,255
Restricted	29,327	-	29,327	16,885	-	16,885
Unrestricted	64,959	130,333	195,292	49,179	134,822	184,001
Total net position	\$ 470,992	\$ 698,249	\$ 1,169,241	\$ 427,759	\$ 647,382	\$ 1,075,141

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, \$29.3 million (3 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$195.3 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 2020, 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.

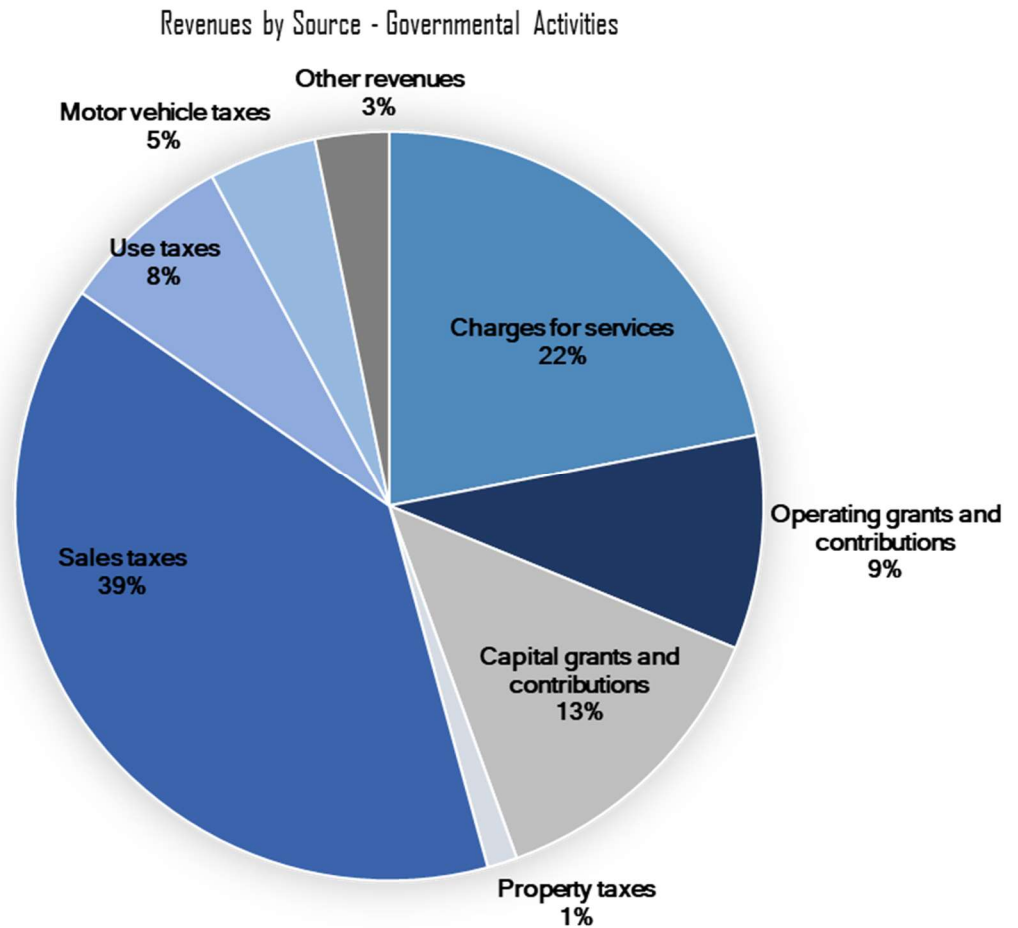
The Town's net position increased \$94.1 million during 2020. There was a \$43.2 million increase in the net position for governmental activities. Total net position of the business-type activities increased \$50.9 million. This increase was partially the result of water, stormwater and wastewater infrastructure valued at \$16.8 million which was contributed to the utilities enterprise by developers. The remaining \$34.1 million consists of system development fees, charges for services, sales taxes and other revenues less capital and operating expenses.

2020 AND 2019 CHANGES IN NET POSITION

(in thousands)

	2020			2019		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
REVENUES						
Program revenues						
Charges for services	\$ 29,600	\$ 61,185	\$ 90,785	\$ 18,193	\$ 63,892	\$ 82,085
Operating grants and contributions	12,497	-	12,497	6,973	-	6,973
Capital grants and contributions	17,892	44,345	62,237	24,506	30,603	55,109
General revenues						
Property taxes	1,745	-	1,745	1,483	-	1,483
Sales taxes	52,468	2,829	55,297	50,729	2,591	53,320
Use taxes	10,104	446	10,550	8,081	370	8,451
Other revenues	10,598	2,755	13,353	12,398	3,066	15,464
Total revenues	134,904	111,560	246,464	122,363	100,522	222,885
EXPENSES						
General government	19,218	-	19,218	17,615	-	17,615
Public safety	30,340	-	30,340	31,617	-	31,617
Public works	32,327	-	32,327	37,097	-	37,097
Culture and recreation	8,361	-	8,361	7,995	-	7,995
Interest on long-term debt	1,237	-	1,237	1,337	-	1,337
Water	-	18,922	18,922	-	18,519	18,519
Water Resources	-	10,777	10,777	-	9,849	9,849
Stormwater	-	4,923	4,923	-	4,481	4,481
Wastewater	-	10,162	10,162	-	25,749	25,749
Golf	-	3,104	3,104	-	3,020	3,020
Community center	-	6,214	6,214	-	8,085	8,085
Development services	-	6,779	6,779	-	6,234	6,234
Total expenses	91,483	60,881	152,364	95,661	75,937	171,598
Increase in net position before transfers	43,421	50,679	94,100	26,702	24,585	51,287
Transfers	(188)	188	-	452	(452)	-
Increase in net position	43,233	50,867	94,100	27,154	24,133	51,287
Net position - January 1	427,759	647,382	1,075,141	400,605	623,249	1,023,854
Net position - December 31	\$ 470,992	\$ 698,249	\$ 1,169,241	\$ 427,759	\$ 647,382	\$ 1,075,141

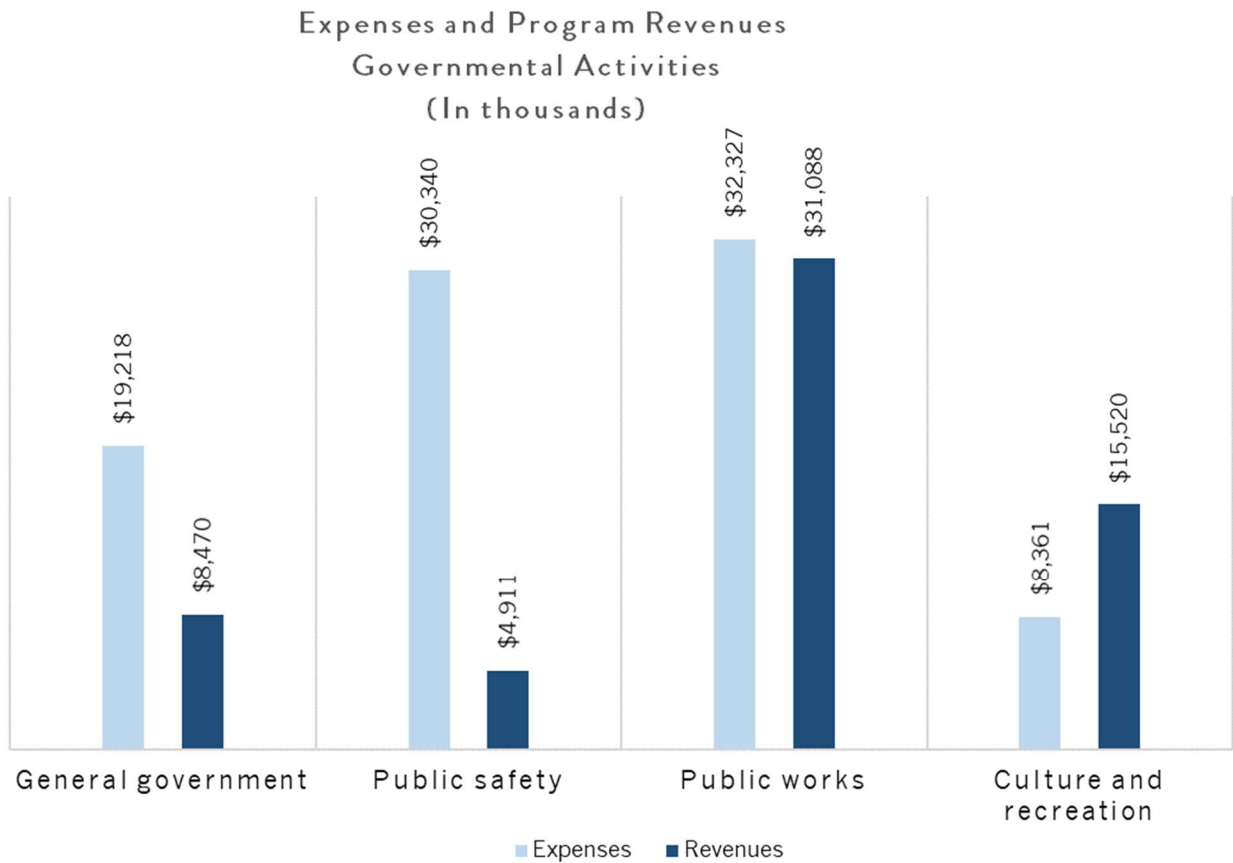
Governmental activities. The following chart shows the governmental activities revenues by source. Sales taxes provide 39 percent of the total revenues of the governmental activities. Program revenues including charges for services and grants and contributions provide 44 percent of revenues in the governmental 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 \$43.2 million. Key elements of this change are as follows:

- Sales taxes increased by \$1.7 million or 3 percent in 2020
- Use taxes increased by \$2.0 million or 25 percent in 2020
- General government operating grants and contributions increased \$3.3 million in 2020 due to receipt of Coronavirus Aid, Relief, and Economic Security (CARES) Act funds
- Public works charges for services increased \$6.0 million or 93 percent in 2020 due to increased receipts of development impact fees
- Public works operating grants and contributions increased \$2.2 million or 38 percent in 2020, which is largely attributable to a regrouping of intergovernmental shareback revenues

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 \$50.9 million, accounting for 54 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 \$27.6 million and contributed infrastructure from developers of \$16.8 million and charges for services offset by capital and operational expenses.

Small business support

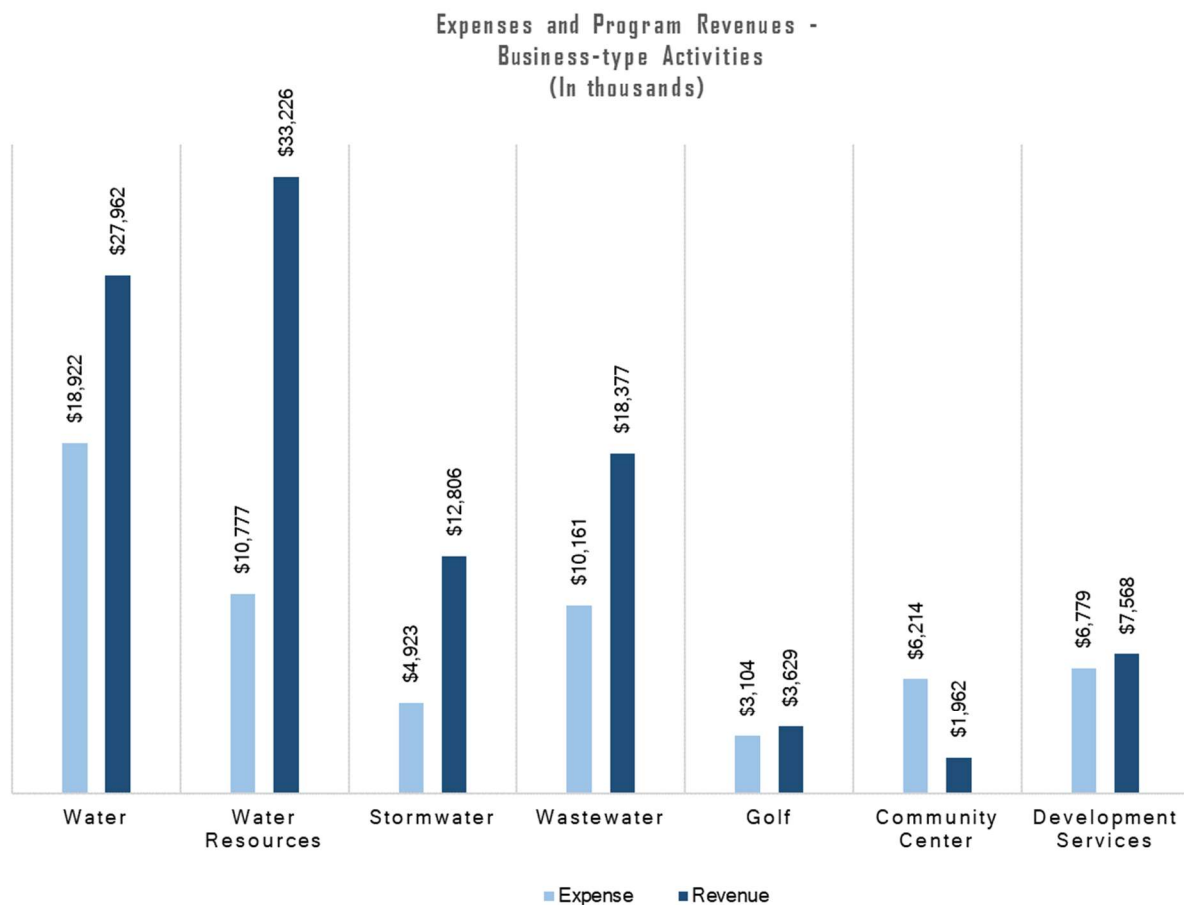
Small local businesses were some of the most impacted by the pandemic and associated public health orders. And, the Town threw its support behind them to help keep them going. Perhaps most notable is the \$1.85 million in grants Town Council awarded to roughly 160 local businesses from April to December. But the support didn't end there. The Town funded two local business loan programs; water bill payment assistance; and community marketing efforts to support Castle Rock's business community. The Town also worked to support additional outdoor dining at local restaurants.



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 that follows 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, 2020, the governmental funds reported combined ending fund balances of \$93.9 million, which was an increase of \$39.7 million from 2019. Of the \$93.9 million, the unassigned balance is \$20.2 million or 21 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 \$73.7 million, consists of fund balance that otherwise has constraints. These constraints include: \$3.5 million in non-spendable funds due to the nature of prepaid and long-term receivables, \$38.5 million in restricted funds due to revenues restricted for a specific purpose of which portions are not yet designated for a specific project, \$28.6 million in committed funds for spending determined by the Town Council, and \$3.1 million in assigned funds for future planned intentions.

The General Fund is the chief operating fund of the Town, which includes two subsidiary funds; the Economic Development Fund and the Parking Fund. At the end of 2020, fund balance of the General Fund was \$47.0 million, of which \$21.1 million was unassigned. As a measure of the General Fund's liquidity, unassigned fund balance represents 41 percent of the General Fund expenditures of \$51.3 million. The General Fund balance increased by \$17.5 million, or 59 percent, during 2020.

At the end of 2020, total fund balance of the Transportation Fund was \$14.9 million. Of this amount, \$0.07 million is non-spendable funds due to prepaids and \$14.8 million is committed by Town Council for future projects. Fund balance for the Transportation Fund increased \$6.4 million in 2020. Overall, the Transportation Fund revenues increased \$0.4 million or 1 percent in 2020, excluding impact fees that are collected in the Transportation Capital Fund.

The Transportation Capital Fund qualifies as a major fund for 2020 and had a total fund balance of \$16.8 million at the end of 2020, \$5.3 million greater than at the end of 2019. 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 \$15.3 million in 2020.

Proprietary funds. Unrestricted net position of the combined enterprise funds at the end of 2020 were \$131.5 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 2020. Net position for enterprise funds increased in 2020 by \$51.5 million with \$7.9 million from Water, \$26.0 million from Water Resources, \$8.3 million from Stormwater, \$8.4 million from Wastewater, \$0.6 million from Golf and \$1.0 million from the Development Services Fund. The net position in the Community Center Fund decreased by \$0.6 million.

Charges for services coupled with capital grants, contributions and transfers exceeded expenses by \$45.5 million. In addition, investment earnings and sales taxes contributed another \$6.0 million resulting in the increase to net position of \$51.5 million.



CRPD, DCSD become first in Colorado to pair SRO with therapy dog

As sweet as she sounds! Castle Rock Police Department and the Douglas County School District are proud to introduce the newest team member of the Castle View High School (CVHS) family, Buttercup. Buttercup is a 2-year-old Golden Retriever-Sheltie mix who joins School Resource Officer (SRO) Scott Gillespie in his duties at the school.

Buttercup, a licensed therapy dog, joins CRPD after completing six months of training with the Brevard County Sheriff's Office "Paws and Stripes College" in Florida. That was followed by a 40 hour Law Enforcement Investigative Therapy Dog Course through United K9, a national therapy dog certification agency. Together, Officer Gillespie and Buttercup hold three different national certifications as a therapy dog team.



CAPITAL ASSETS (net of depreciation) (In thousands)						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 68,289	\$ 60,556	\$ 18,786	\$ 9,455	\$ 87,075	\$ 70,011
Easements	4,306	3,319	13,931	11,905	18,237	15,224
Right of Ways	10,314	9,500	244	244	10,558	9,744
Artwork	294	294	-	-	294	294
Water Rights	-	-	98,141	98,280	98,141	98,280
Water Rights Definite Life	-	-	51,634	52,070	51,634	52,070
Buildings and improvements	50,767	48,179	29,080	30,096	79,847	78,275
Machinery and equipment	13,016	14,515	3,000	3,132	16,016	17,647
Infrastructure	226,760	219,246	303,484	256,742	530,244	475,988
Other structures and improvements	25,619	27,182	3,866	3,839	29,485	31,021
Construction in progress	13,198	18,752	112,418	117,610	125,616	136,362
Total	<u>\$ 412,563</u>	<u>\$ 401,543</u>	<u>\$ 634,584</u>	<u>\$ 583,373</u>	<u>\$ 1,047,147</u>	<u>\$ 984,916</u>

Capital Asset and Debt Administration

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$1,047.1 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 2020 included:

- Extended trails at Gateway Mesa Open Space, along Sellars Gulch and at Covy Court
- Installed a new HVAC unit for the Recreation Center's leisure pool
- Completed construction of the North Building at the Town's Public Safety Training Facility
- Widened Plum Creek Parkway east of Gilbert Street to Eaton Circle, including constructing two new roundabouts
- Continued progress toward a future Interstate 25 interchange at Crystal Valley Parkway, including receipt of a \$5.4 million federal grant for preconstruction work which is planned to be spent in its entirety over multiple years
- Reached substantial completion on upgrades to the Plum Creek Water Purification Facility, which will enable purified reuse water to be provided to the community in early 2021
- Installed a pumping facility to draw water out of East Plum Creek near Sedalia and a line to transport that water back to the Plum Creek Water Purification Facility for treatment
- Completed sewer line rehabilitation in the Memmen Young neighborhood
- Participated in improvements to the Plum Creek Water Reclamation Authority, which treats the Town's wastewater

Additional information concerning the Town's capital assets can be found in the Notes to the Basic Financial Statements on page(s) 70-71.

Taking things online

The need to socially distance meant a lot of the Town's – and others' – business moved into the virtual world. Public safety personnel continued delivering services in-person as needed 24/7, but other operations like building inspections, Municipal Court hearings and even Town Council meetings were completed online. Though some continue to struggle with those pesky mute buttons, this unplanned transition occurred relatively seamlessly. The Town's COVID updates (CRgov.com/**COVID**) and Online Services (CRgov.com/**OnlineServices**) webpages saw 100,000 and 30,000 views, respectively, during 2020, and more than 1,000 participants logged into Town Council meetings virtually. The option to join Town meetings virtually has been extended indefinitely, as both a health and convenience measure.



Long-term debt

	OUTSTANDING DEBT					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ 27,213,771	\$ 28,038,047	\$ 58,846,032	\$ 63,562,717	\$ 86,059,803	\$ 91,600,764
Certificates of participation	16,678,982	7,130,000	-	-	16,678,982	7,130,000
Notes payable	-	-	9,000,000	4,500,000	9,000,000	4,500,000
Capital leases	-	-	243,389	407,441	243,389	407,441
Total	\$ 43,892,753	\$ 35,168,047	\$ 68,089,421	\$ 68,470,158	\$ 111,982,174	\$ 103,638,205
The Town has no general obligation bonds outstanding.						

At the end of 2020, the Town had total long-term debt outstanding of \$112.0 million. Of this amount, there were no general obligation bonds outstanding. There were revenue bonds of \$86.1 million and \$16.7 million in certificates of participation secured by specific revenue sources. The remainder of the debt (\$9.2 million) consists of notes and lease purchase agreements.

The Town's total long-term debt increased by \$8.3 million or 8 percent, offset by scheduled annual principal payments, in 2020 due to the purchase of Certificates of Participation for the Encore project parking structure.

Additional information on the Town's long-term debt can be found in the Notes to the Basic Financial Statements on page(s) 73-80.

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 \$2.6 million between the total "original" budgets and the "final" amended budgets for the General Fund, excluding subsidiary funds, was primarily due to carryforward of previously unspent capital items including \$1.7 million for the construction completion of the Public Safety Training Facility and \$1.5 million transferred to the Parking Fund intended to fund debt payments until property tax is generated from the General Improvement District. The difference from the total increase includes cost cutting measures within the General Fund.

When comparing budgeted to actual expenditures in the General Fund and subsidiary Economic Development Fund and Parking Fund, there were positive variances of \$5.8 million, \$2.6 million, and \$0.1 million respectively. For the General Fund, this was made up of unspent capital funds of \$2.6 million or 45 percent, for projects not completed in 2020, personnel costs of \$0.8 million or 15 percent, and \$2.4 million or 41 percent in services and other expenses such as utility costs, vehicle repairs, and contingencies. For the Economic Development Fund, the \$2.7 million were economic development opportunities that have not yet come to fruition in 2020 and will be re-appropriated in a future year. For the Parking Fund, the \$0.1 million positive variance is attributable to actual debt issue costs being lower than projected.

Economic Factors and Next Year's Budgets and Rates

The Town fared well in the midst of the global pandemic of 2020 and the continuing economic impacts seen throughout the United States. In line with the Town's consistently conservative fiscal management approach, staff continually monitored economic conditions throughout 2020 and adjusted spending and future planning accordingly. Revenue impacts were initially expected in sales tax, charges for services and other taxes with preliminary estimates suggesting potential decreases between 15 and 20 percent.

In order to prepare for anticipated revenue shortfalls, staff identified various budget reductions and project deferrals. Over \$12.9 million in 2020 budget reductions and deferrals including such items as holding vacant positions open, deferring travel, training, equipment and fleet replacement and department specific savings opportunities in areas such as overtime, uniform and supplies and services reductions. A number of these savings or deferred items were deemed allowable as sufficient funding was determined to be available.

Staff closely tracked COVID related expenses incurred and received about \$3.5 million in CARES Act funding which was significant in the Town's ability to offer assistance to local businesses. The Town incurred unplanned expenses in response to COVID for personal protection equipment, cleaning supplies, laptops and virtual meeting software, and facilities upgrades to maintain social distancing and a safe working environment. It is currently anticipated that more funding will be made available to the Town through the American Rescue Plan approved by the current administration. The Town is aware that funding could be substantial, upwards of \$14 million.

The above factors contributed to a cautious approach to the 2021 budget which includes annual growth in sales tax revenue budgeted at 3 percent. Property tax revenue is budgeted at an increase of 5 percent; the corresponding mill levy rate is expected to equal the 2020 rate of 1.196 mills when finalized in December. No change to current water rates and fees for existing customers during 2021. There will be an increase in growth related water system development fees for 2021, along with inflationary increases for all other impact fees as previously approved by Council. An additional item of note included in 2021 planning includes the movement of sworn Police Officers to the Fire and Police Pension Association (FPPA). Town Council approved this change for 2021 at a September meeting.

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

- The Town continued to experience growth during 2020 with the issuance of permits for 1,379 new residential units (1,086 single family, 293 multi-family, and 59 new commercial permits). The Town will budget 700 new residential units and 118 multifamily units in the 2021 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 2021. The 2021 budget includes no change to current water rates and fees for the typical existing residential

water customer. There will be an increase in growth- related water system development fees for 2021, along with inflationary increases for all other impact fees as previously approved by Council.

The 2021 budget provides for \$57.0 million in capital improvements. This includes the following significant projects:

- Build and commence construction of a new neighborhood park in Cobblestone Ranch
- Commence improvements to Butterfield Crossing and Mitchell Gulch parks, and in Plum Creek
- Complete design of the Colorado Front Range Trail through Castle Rock
- Continue preconstruction activities for the future Interstate 25/Crystal Valley Parkway interchange with \$5.4 million grant
- Continue design and begin construction of Downtown railroad quiet zone
- Improve certain Downtown alleyways and complete a Downtown alleyways master plan using federal grant funds
- Complete design and permitting of Castle Rock Reservoir no. 2, to be located north of Sedalia
- Continue the WISE, Box Elder and Chatfield Reallocation renewable water projects, and consider purchase of Cherry Creek renewable water rights
- Continue the Water Infrastructure and Supply Efficiency project with design of a new pipeline through Parker to increase future water delivery capacity
- Design a new pipeline from the Plum Creek Water Reclamation Authority to Reuter-Hess Reservoir and inlet structure (Newline Gulch Pipeline)
- Construct a new water tank in Liberty Village/Cobblestone Ranch
- Complete water, sewer, stormwater and street improvements in the Craig & Gould neighborhood
- Begin water line rehabilitations and replacements in the Glovers neighborhood
- Continue stream and drainageway stormwater infrastructure projects
- Construct the long-planned Administration and Customer Service building

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:

CRGOV.COM/FINANCIALREPORTS



Basic Financial Statements

Town-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

Town-wide Financial Statements



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TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 58,905,174	\$ 32,703,610	\$ 91,608,784	\$ 699,165
Investments	35,883,799	68,594,118	104,477,917	
Restricted cash and cash equivalents	10,557,738	4,989,983	15,547,721	5,874,378
Cash held in escrow	4,166,457	-	4,166,457	-
Due from primary government	-	-	-	150,329
Receivables				
Property taxes	1,405,352	-	1,405,352	191,525
Grants	3,968,379	64,288	4,032,667	-
Sales taxes	7,070,145	389,144	7,459,289	-
Accounts, net of allowance of \$252,779	2,754,643	4,363,317	7,117,960	672
Long term receivable	1,081,950	-	1,081,950	-
Internal balances	599,261	(599,261)	-	-
Prepaid items	638,345	317,196	955,541	15,884
Inventory	-	83,677	83,677	-
Capital assets				
Land	68,288,705	18,785,530	87,074,235	-
Water rights	-	170,917,249	170,917,249	-
Artwork	293,733	-	293,733	-
Right of way	10,314,094	244,469	10,558,563	-
Easements	4,305,812	13,930,942	18,236,754	-
Construction in progress	13,198,403	112,417,841	125,616,244	12,431,796
Buildings and improvements	68,826,401	40,512,245	109,338,646	227,596
Infrastructure	405,180,415	450,335,655	855,516,070	-
Other structures and improvements	64,645,856	6,994,126	71,639,982	-
Machinery and equipment	41,122,522	8,202,197	49,324,719	146,563
Accumulated depreciation	(263,613,251)	(187,756,294)	(451,369,545)	(281,541)
Net pension asset	550,949	-	550,949	-
Investment in joint venture	-	28,762,647	28,762,647	-
Total assets	540,144,882	774,252,679	1,314,397,561	19,456,367
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	4,123,114	-	4,123,114	-
Loss on refundings	845,913	617,274	1,463,187	-
Total deferred outflows of resources	4,969,027	617,274	5,586,301	-

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts payable	5,903,909	4,485,320	10,389,229	1,675
Accounts payable from restricted assets	800,000	-	800,000	-
Retainage payable	498,159	1,239,135	1,737,294	283,533
Due to component unit	150,329	-	150,329	-
Line of credit	782,327	-	782,327	-
Accrued liabilities	212,746	250,631	463,377	695,746
Deposits	3,080,710	205,777	3,286,487	-
Unearned revenues	10,292,392	599,143	10,891,535	-
Non-current liabilities				
Due within one year	3,979,743	5,077,779	9,057,522	-
Due beyond one year	44,975,731	64,763,406	109,739,137	22,627,523
Total liabilities	70,676,046	76,621,191	147,297,237	23,608,477
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	958,030	-	958,030	-
IREA capital credit	1,081,950	-	1,081,950	-
Sponsorships	-	-	-	11,333
Property tax	1,405,352	-	1,405,352	191,525
Total deferred inflows of resources	3,445,332	-	3,445,332	202,858
NET POSITION				
Net investment in capital assets	376,706,367	567,915,608	944,621,975	(4,228,731)
Restricted for parks and open space	463,123	-	463,123	-
Restricted for emergencies	2,124,114	-	2,124,114	884
Restricted for capital projects	26,167,133	-	26,167,133	-
Restricted for pensions	550,949	-	550,949	-
Restricted for debt service	-	-	-	2,660,549
Restricted for other purposes	22,004	-	22,004	9,000
Unrestricted	64,958,841	130,333,154	195,291,995	(2,796,670)
Total net position	\$ 470,992,531	\$ 698,248,762	\$ 1,169,241,293	\$ (4,354,968)

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

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
General government	\$ 19,217,793	\$ 5,152,731	\$ 3,317,471
Public safety	30,340,170	4,568,332	342,273
Public works	32,326,601	12,479,568	7,995,801
Culture and recreation	8,360,633	7,399,434	841,210
Interest on long-term debt	1,237,504	-	-
Total Governmental activities	91,482,701	29,600,065	12,496,755
Business-type activities			
Water	18,921,743	19,557,916	-
Water resources	10,777,309	13,410,716	-
Stormwater	4,922,935	3,785,567	-
Wastewater	10,161,425	11,271,632	-
Golf	3,104,291	3,629,195	-
Community center	6,214,007	1,962,493	-
Development services	6,779,057	7,567,736	-
Total Business-type activities	60,880,767	61,185,255	-
	<u>\$ 152,363,468</u>	<u>\$ 90,785,320</u>	<u>\$ 12,496,755</u>
Component units	<u>\$ 2,147,492</u>	<u>\$ 123,336</u>	<u>\$ 197,196</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 (deficit) - January 1, as previously reported

Change in reporting entity

Net position (deficit) - January 1, as restated

Net Position (deficit) - December 31

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

	Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total		
\$ -	\$ (10,747,591)	\$ -	\$ (10,747,591)	\$ -	
-	(25,429,565)	-	(25,429,565)	-	
10,612,578	(1,238,654)	-	(1,238,654)	-	
7,279,707	7,159,718	-	7,159,718	-	
-	(1,237,504)	-	(1,237,504)	-	
17,892,285	(31,493,596)	-	(31,493,596)	-	
8,404,047	-	9,040,220	9,040,220	-	
19,815,468	-	22,448,875	22,448,875	-	
9,020,329	-	7,882,961	7,882,961	-	
7,104,993	-	8,215,200	8,215,200	-	
-	-	524,904	524,904	-	
-	-	(4,251,514)	(4,251,514)	-	
-	-	788,679	788,679	-	
44,344,837	-	44,649,325	44,649,325	-	
\$ 62,237,122	\$ (31,493,596)	\$ 44,649,325	\$ 13,155,729	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ (1,826,960)	
1,744,657	-	1,744,657	225,231		
52,468,081	2,828,799	55,296,880	-		
10,103,705	445,713	10,549,418	-		
6,296,757	400,496	6,697,253	-		
2,887,574	-	2,887,574	157,828		
1,215,566	2,354,651	3,570,217	28,401		
198,225	-	198,225	16,068		
(187,657)	187,657	-	-		
74,726,908	6,217,316	80,944,224	427,528		
43,233,312	50,866,641	94,099,953	(1,399,432)		
427,759,219	647,382,121	1,075,141,340	612,491		
-	-	-	(3,568,027)		
427,759,219	647,382,121	1,075,141,340	(2,955,536)		
\$ 470,992,531	\$ 698,248,762	\$ 1,169,241,293	\$ (4,354,968)		

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



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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. There are two sub-funds of the General Fund: Economic Development and Parking. Economic Development is used to facilitate expansion of the tax base, through primary job creation and improved local economy. Parking is used to account for public parking garage maintenance and debt payments related to the Encore Redevelopment Agreement.

Transportation Fund

The Transportation Fund is a special revenue fund that accounts for revenue sources, including taxes, intergovernmental and charges for services, that are committed to the furtherance of transportation projects within the Town of Castle Rock, maintenance of existing roads and infrastructure and the overall operations of the public works department.

Transportation Capital Fund

The Transportation Capital Fund is a capital projects fund that 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, 2020

	General	Transportation	Transportation Capital	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 15,637,216	\$ 11,493,886	\$ 11,924,486	\$ 15,021,803	\$ 54,077,391
Investments	16,199,104	6,154,560	6,630,276	4,633,573	33,617,513
Restricted cash and cash equivalents	10,557,738	-	-	-	10,557,738
Cash held in Escrow	-	-	-	4,166,457	4,166,457
Receivables					
Property taxes	1,405,352	-	-	-	1,405,352
Sales taxes	5,256,903	1,813,242	-	-	7,070,145
Accounts, net of allowance of \$252,779	3,677,522	1,201,935	1,757,724	23,136	6,660,317
Prepaid items	553,359	74,022	-	2,986	630,367
Advance to other funds	196,298	-	-	-	196,298
Loans to other funds	3,352,181	-	-	176,895	3,529,076
Total assets	<u>\$ 56,835,673</u>	<u>\$ 20,737,645</u>	<u>\$ 20,312,486</u>	<u>\$ 24,024,850</u>	<u>\$ 121,910,654</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,045,469	\$ 1,367,825	\$ 1,392,273	\$ 381,373	\$ 5,186,940
Accounts payable from restricted assets	800,000	-	-	-	800,000
Retainage payable	-	57,460	430,496	10,203	498,159
Due to component unit	-	-	-	150,329	150,329
Line of credit	-	-	-	782,327	782,327
Deposits	3,080,710	-	-	-	3,080,710
Unearned revenues	1,103,207	4,343,194	-	4,206,457	9,652,858
Advance from other funds	-	-	-	196,298	196,298
Loans from other funds	1,113,665	-	-	3,028,261	4,141,926
Total liabilities	<u>8,143,051</u>	<u>5,768,479</u>	<u>1,822,769</u>	<u>8,755,248</u>	<u>24,489,547</u>
Deferred inflows of resources					
Property taxes	1,405,352	-	-	-	1,405,352
Sales taxes	293,578	102,161	-	-	395,739
Unavailable fund resources	4,500	-	1,721,988	-	1,726,488
Total liabilities and deferred inflows of resources	<u>9,846,481</u>	<u>5,870,640</u>	<u>3,544,757</u>	<u>8,755,248</u>	<u>28,017,126</u>
Fund balances					
Nonspendable	3,451,699	74,022	-	2,986	3,528,707
Restricted	11,881,852	-	16,767,729	9,864,494	38,514,075
Committed	7,475,925	14,792,983	-	6,332,152	28,601,060
Assigned	3,077,600	-	-	-	3,077,600
Unassigned	21,102,116	-	-	(930,030)	20,172,086
Total fund balances	<u>46,989,192</u>	<u>14,867,005</u>	<u>16,767,729</u>	<u>15,269,602</u>	<u>93,893,528</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,835,673</u>	<u>\$ 20,737,645</u>	<u>\$ 20,312,486</u>	<u>\$ 24,024,850</u>	<u>\$ 121,910,654</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, 2020

Total governmental funds - fund balances	\$ 93,893,528
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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 \$8,473,059 internal service fund capital assets.	404,089,631
Net pension assets do not represent current financial resources available to pay current period expenditures and therefore are not reported in the funds.	550,949
Long-term receivables related to regulatory activities do not provide current financial resources until received and therefore are not recorded in the funds.	1,081,950
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.	15,423,664
Deferred outflows of resources, related to the loss on refundings is amortized over future reporting periods and is not recorded in the funds.	845,913
Deferred outflows of resources of \$4,123,114 and inflows of resources of (\$958,030), 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.	3,165,084
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.	(1,081,950)
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.	(48,894,728)
Net pension liabilities are not due and payable in the current period and therefore not reported in the funds.	(203,737)
Deferred inflows of resources related to unavailable fund resources are recognized as revenue in the Town-wide financial statements.	2,122,227
	<hr/>
Net position of the governmental activities	<u><u>\$ 470,992,531</u></u>

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, 2020

	General	Transportation	Transportation Capital	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	\$ 1,332,644	\$ -	\$ -	\$ 412,013	\$ 1,744,657
Sales	37,579,999	13,077,347	-	1,414,996	52,072,342
Use	1,881,788	3,507,004	2,651,060	2,063,853	10,103,705
Motor vehicle	4,082,645	2,214,112	-	-	6,296,757
Other taxes	2,887,574	-	-	-	2,887,574
Charges for services	2,207,948	118	-	60,269	2,268,335
Development impact fees	-	-	12,479,450	9,416,518	21,895,968
Management fees	4,308,917	-	-	-	4,308,917
Licenses and permits	145,959	-	-	118,733	264,692
Fines and forfeitures	270,019	-	-	-	270,019
Investment earnings	553,659	168,803	247,638	159,138	1,129,238
Intergovernmental	3,536,158	7,447,683	725,571	603,739	12,313,151
Contributions and donations	81,969	161,476	-	313,085	556,530
Other	666,895	26,655	19,797	4,635	717,982
Total revenues	59,536,174	26,603,198	16,123,516	14,566,979	116,829,867
EXPENDITURES					
Current					
General government	15,709,194	-	-	2,441,075	18,150,269
Public safety	29,459,567	-	-	716	29,460,283
Public works	-	17,596,280	-	-	17,596,280
Culture and recreation	4,103,913	-	-	903,240	5,007,153
Capital outlay	1,827,051	1,069,323	9,482,749	991,612	13,370,735
Debt service					
Principal	-	635,000	510,000	385,000	1,530,000
Interest	-	267,325	725,468	323,813	1,316,606
Agency fees	-	300	300	2,000	2,600
Debt issue costs	194,979	-	193,532	-	388,511
Total expenditures	51,294,704	19,568,228	10,912,049	5,047,456	86,822,437
Excess (deficiency) of revenues over (under) expenditures	8,241,470	7,034,970	5,211,467	9,519,523	30,007,430
OTHER FINANCING SOURCES (USES)					
Issuance of debt	8,485,000	-	18,550,000	-	27,035,000
Issuance of COP premium	1,467,716	-	-	-	1,467,716
Issuance of refunding bond discount	-	-	(16,747)	-	(16,747)
Transfers in	2,202,748	-	-	1,181,753	3,384,501
Payment to refunded bonds escrow agent	-	-	(18,452,327)	-	(18,452,327)
Transfers out	(2,954,662)	(607,754)	-	(209,989)	(3,772,405)
Total other financing sources (uses)	9,200,802	(607,754)	80,926	971,764	9,645,738
Net change in fund balances	17,442,272	6,427,216	5,292,393	10,491,287	39,653,168
Fund balances - January 1	29,546,920	8,439,789	11,475,336	4,778,315	54,240,360
Fund balances - December 31	\$ 46,989,192	\$ 14,867,005	\$ 16,767,729	\$ 15,269,602	\$ 93,893,528

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, 2020

Net change in fund balances total government funds	\$ 39,653,168
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay \$13,370,735 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 (\$18,281,209). This amount is the net difference between capital outlay and depreciation reported in the current period, less depreciation related to internal service funds.	(4,910,474)
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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 2020 the Town received capital assets for streets (public works) valued at \$10,342,714, land and easements (culture and recreation) valued at \$7,253,817.	17,596,531
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Loss on disposal of capital assets do not require the use of current financial resources of the governmental funds, but are treated as program expenses in the statement of activities. The Town reported losses on the disposal of general government capital assets with net book value \$75,445.	(75,445)
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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.	(9,006,564)
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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.	(511,526)
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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.	169,055
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Deferred inflows of resources related to unavailable fund resources are not recognized as revenue in the governmental funds.	318,567
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Change in net position of governmental activities	<u>\$ 43,233,312</u>
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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, 2020

	Water	Water Resources	Stormwater	Wastewater
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 13,305,596	\$ 4,798,998	\$ 3,868,234	\$ 7,578,976
Investments	11,657,339	40,409,735	6,943,277	5,229,774
Restricted cash and cash equivalents	-	-	4,489,168	-
Receivables	1,281,335	1,559,650	330,120	1,105,523
Prepaid items	57,681	37,112	35,495	29,957
Inventory	-	-	-	-
Total current assets	26,301,951	46,805,495	15,666,294	13,944,230
Non-current Assets				
Capital assets				
Land	2,075,814	9,316,709	850,729	947,834
Easements	2,686,531	1,847,603	8,530,826	859,882
Right of way	28,024	-	216,445	-
Water rights	87,720,770	83,196,479	-	-
Construction in progress	6,775,955	99,638,479	5,627,870	375,537
Buildings and improvements	3,089,307	18,588,063	820,924	2,441,379
Infrastructure	217,434,892	53,577,648	83,739,312	95,583,803
Machinery and equipment	3,361,375	1,331,761	144,804	976,661
Other structures and improvements	2,140,712	904,056	710,970	1,176,941
Accumulated depreciation	(116,124,900)	(7,502,452)	(19,812,168)	(35,759,162)
Total capital assets (net of accumulated depreciation)	209,188,480	260,898,346	80,829,712	66,602,875
Investment in joint venture	-	-	-	28,762,647
Loans to other funds	-	1,113,665	-	-
Total non-current assets	209,188,480	262,012,011	80,829,712	95,365,522
Total assets	235,490,431	308,817,506	96,496,006	109,309,752
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refundings	294,236	-	-	59,951
LIABILITIES				
Current liabilities				
Accounts payable	1,083,551	2,013,677	404,070	575,880
Retainage payable	474,956	700,010	43,824	20,345
Accrued interest payable	22,899	143,915	71,440	3,305
Deposits	155,065	-	-	-
Revenue bonds payable-current	1,466,000	2,015,000	-	294,000
Leases payable-current	-	-	-	-
Accrued leave-current	321,279	35,994	72,906	26,701
Unearned revenues	358,097	-	16,205	159,672
Total current liabilities	3,881,847	4,908,596	608,445	1,079,903
Non-current liabilities				
Revenue bonds net of unamortized premiums (discounts)	5,518,845	45,731,069	-	696,118
Notes payable	-	-	9,000,000	-
Leases payable	-	-	-	-
Accrued leave	453,583	50,916	77,564	161
Loans from other funds	-	-	-	-
Total non-current liabilities	5,972,428	45,781,985	9,077,564	696,279
Total liabilities	9,854,275	50,690,581	9,686,009	1,776,182
NET POSITION				
Net investment in capital assets	201,421,471	210,903,005	76,040,259	65,635,333
Unrestricted	24,508,921	47,223,920	10,769,738	41,958,188
Total net position	\$ 225,930,392	\$ 258,126,925	\$ 86,809,997	\$ 107,593,521

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

					Governmental
					Activities
		Development	Total		Internal Service
Golf	Community Center	Services	Enterprise		Funds
Funds			Funds		
\$ 1,115,982	\$ 327,127	\$ 1,708,697	\$ 32,703,610	\$ 4,827,783	
431,166	527,682	3,395,145	68,594,118	2,266,286	
500,815	-	-	4,989,983	-	
5,728	483,990	50,403	4,816,749	62,705	
20,166	24,631	112,154	317,196	7,978	
83,677	-	-	83,677	-	
2,157,534	1,363,430	5,266,399	111,505,333	7,164,752	
5,412,479	181,965	-	18,785,530	-	
-	-	6,100	13,930,942	-	
-	-	-	244,469	-	
-	-	-	170,917,249	-	
-	-	-	112,417,841	5,620	
2,207,364	8,167,414	5,197,794	40,512,245	43,590	
-	-	-	450,335,655	-	
1,288,014	1,046,144	53,438	8,202,197	26,426,297	
869,366	1,192,081	-	6,994,126	-	
(2,355,366)	(5,676,037)	(526,209)	(187,756,294)	(18,002,448)	
7,421,857	4,911,567	4,731,123	634,583,960	8,473,059	
-	-	-	28,762,647	-	
-	-	-	1,113,665	-	
7,421,857	4,911,567	4,731,123	664,460,272	8,473,059	
9,579,391	6,274,997	9,997,522	775,965,605	15,637,811	
263,087	-	-	617,274	-	
146,440	122,983	138,719	4,485,320	716,969	
-	-	-	1,239,135	-	
9,072	-	-	250,631	-	
30,122	8,700	11,890	205,777	-	
410,000	-	-	4,185,000	-	
132,613	-	-	132,613	-	
50,327	51,112	201,847	760,166	54,258	
63,197	1,972	-	599,143	639,534	
841,771	184,767	352,456	11,857,785	1,410,761	
2,715,000	-	-	54,661,032	-	
-	-	-	9,000,000	-	
110,776	-	-	110,776	-	
112,224	181,985	115,165	991,598	15,497	
500,815	-	-	500,815	-	
3,438,815	181,985	115,165	65,264,221	15,497	
4,280,586	366,752	467,621	77,122,006	1,426,258	
4,272,850	4,911,567	4,731,123	567,915,608	8,453,447	
1,289,042	996,678	4,798,778	131,545,265	5,758,106	
\$ 5,561,892	\$ 5,908,245	\$ 9,529,901	\$ 699,460,873	\$ 14,211,553	

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

TOWN OF CASTLE ROCK, COLORADO

RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total enterprise net position	\$	699,460,873
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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.

(1,212,111)

Net position of the business-type activities

\$	698,248,762
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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, 2020

	Water	Water Resources	Stormwater	Wastewater
OPERATING REVENUES				
Charges for services	\$ 17,653,537	\$ 10,426,445	\$ 3,697,567	\$ 11,147,387
Fines and forfeitures	71,361	198,842	-	47
Intergovernmental	699,387	239,776	4,717	5,243
Other	1,133,631	2,545,653	83,283	118,955
Total operating revenues	19,557,916	13,410,716	3,785,567	11,271,632
OPERATING EXPENSES				
Cost of sales and services	-	-	-	-
Operations	12,113,736	8,145,054	2,536,309	7,666,995
Depreciation	6,249,405	1,374,916	2,127,127	2,576,038
Total operating expenses	18,363,141	9,519,970	4,663,436	10,243,033
Operating income (loss)	1,194,775	3,890,746	(877,869)	1,028,599
NON-OPERATING REVENUES (EXPENSES)				
Taxes	-	-	-	-
Investment earnings	415,873	1,649,185	106,323	40,638
Gain (loss) on disposal of capital assets	(16,234)	(767)	(405)	-
Interest expense	(252,777)	(1,264,205)	(107,440)	(42,404)
Agency and other fees	(552)	(300)	-	(48)
Net income (loss) from joint venture	-	-	-	277,143
Total non-operating revenues (expenses)	146,310	383,913	(1,522)	275,329
Net income (loss) before contributions and transfers	1,341,085	4,274,659	(879,391)	1,303,928
CONTRIBUTIONS AND TRANSFERS				
System development fees	3,545,958	18,940,568	1,508,574	3,565,122
Capital asset contributions	4,858,089	874,900	7,511,755	3,539,871
Transfers in	-	1,876,097	193,000	-
Transfers out	(1,873,928)	-	-	-
Total contributions and transfers	6,530,119	21,691,565	9,213,329	7,104,993
Change in fund net position	7,871,204	25,966,224	8,333,938	8,408,921
Total net position - January 1	218,059,188	232,160,701	78,476,059	99,184,600
Total net position - December 31	\$ 225,930,392	\$ 258,126,925	\$ 86,809,997	\$ 107,593,521

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
\$ 3,606,046	\$ 1,920,292	\$ 7,511,584	\$ 55,962,858	\$ 9,993,913
-	-	-	270,250	-
20,076	35,474	54,923	1,059,596	6,610
3,073	6,727	1,229	3,892,551	1,763,414
3,629,195	1,962,493	7,567,736	61,185,255	11,763,937
-	-	-	-	10,295,819
2,685,504	5,891,051	6,573,013	45,611,662	-
272,732	334,678	133,094	13,067,990	3,068,586
2,958,236	6,225,729	6,706,107	58,679,652	13,364,405
670,959	(4,263,236)	861,629	2,505,603	(1,600,468)
-	3,675,008	-	3,675,008	-
12,017	23,225	107,390	2,354,651	86,328
-	-	-	(17,406)	162,143
(152,602)	-	-	(1,819,428)	-
(300)	-	-	(1,200)	-
-	-	-	277,143	-
(140,885)	3,698,233	107,390	4,468,768	248,471
530,074	(565,003)	969,019	6,974,371	(1,351,997)
-	-	-	27,560,222	-
-	-	-	16,784,615	-
80,000	-	-	2,149,097	200,247
(7,512)	(80,000)	-	(1,961,440)	-
72,488	(80,000)	-	44,532,494	200,247
602,562	(645,003)	969,019	51,506,865	(1,151,750)
4,959,330	6,553,248	8,560,882	647,954,008	15,363,303
\$ 5,561,892	\$ 5,908,245	\$ 9,529,901	\$ 699,460,873	\$ 14,211,553

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

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, 2020

Change in net position total enterprise funds	\$	51,506,865
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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.

(640,224)

Changes in net position of business-type activities

\$ 50,866,641

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, 2020

	Water	Water Resources	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 19,145,309	\$ 13,142,312	\$ 3,746,163	\$ 11,172,730
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(7,839,514)	(5,628,898)	(703,627)	(7,379,420)
Payments to employees	(3,866,919)	(2,220,032)	(1,726,769)	(1,523,454)
Net cash provided by (used in) operating activities	7,438,876	5,293,382	1,315,767	2,269,856
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash transfers in	-	1,876,097	193,000	-
Cash transfers out	(1,873,928)	-	-	-
Receipts from taxes	-	-	-	-
Net cash provided by (used in) non-capital financing activities	(1,873,928)	1,876,097	193,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development fees	3,545,958	18,940,568	1,508,574	3,565,122
Interfund loans	-	154,582	-	-
Acquisition of capital assets	(6,538,365)	(40,203,065)	(5,229,760)	(585,250)
Principal paid on bonds and cops payable	(1,421,800)	(1,925,000)	-	(283,200)
Interest paid on bonds and cops payable	(312,194)	(1,803,974)	(38,880)	(48,156)
Principal paid on lease purchase agreements	-	-	-	-
Interest paid on lease purchase agreements	-	-	-	-
Bond issue costs and agency fees	(552)	(300)	-	(48)
Issuance of capital debt	-	-	4,500,000	-
Proceeds from sale of capital assets	1,593,400	-	-	-
Net cash provided by (used in) capital and related financing activities	(3,133,553)	(24,837,189)	739,934	2,648,468
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	299,472	1,076,268	104,759	56,184
Decrease (increase) in equity in pooled investments	(247,175)	8,932,635	(4,063,003)	(4,026,672)
Net cash provided by (used in) investing activities	52,297	10,008,903	(3,958,244)	(3,970,488)
Net increase (decrease) in cash and cash equivalents	2,483,692	(7,658,807)	(1,709,543)	947,836
Cash and cash equivalents - January 1	10,821,904	12,457,805	10,066,945	6,631,140
Cash and cash equivalents - December 31	\$ 13,305,596	\$ 4,798,998	\$ 8,357,402	\$ 7,578,976
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION				
Unrestricted cash and cash equivalents	\$ 13,305,596	\$ 4,798,998	\$ 3,868,234	\$ 7,578,976
Restricted cash and cash equivalents	-	-	4,489,168	-
Total cash and cash equivalents	\$ 13,305,596	\$ 4,798,998	\$ 8,357,402	\$ 7,578,976

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

					Governmental Activities
					Internal Service Funds
Golf	Community Center	Development Services	Total Enterprise Funds		
\$ 3,651,176	\$ 1,843,476	\$ 7,532,551	\$ 60,233,717	\$ 1,825,703	
-	-	-	-	9,993,913	
(1,226,003)	(2,721,260)	(1,423,632)	(26,922,354)	(9,395,803)	
(1,398,665)	(3,208,097)	(5,266,249)	(19,210,185)	(872,228)	
1,026,508	(4,085,881)	842,670	14,101,178	1,551,585	
80,000	-	-	2,149,097	200,247	
(7,512)	(80,000)	-	(1,961,440)	-	
-	3,675,008	-	3,675,008	-	
72,488	3,595,008	-	3,862,665	200,247	
-	-	-	27,560,222	-	
-	-	-	154,582	-	
-	(462,498)	-	(53,018,938)	(1,590,115)	
(400,000)	-	-	(4,030,000)	-	
(100,814)	-	-	(2,304,018)	-	
(164,052)	-	-	(164,052)	-	
(15,233)	-	-	(15,233)	-	
(300)	-	-	(1,200)	-	
-	-	-	4,500,000	-	
-	-	-	1,593,400	123,986	
(680,399)	(462,498)	-	(25,725,237)	(1,466,129)	
9,709	15,959	73,489	1,635,840	63,698	
(204,901)	184,571	(71,989)	503,466	(48,052)	
(195,192)	200,530	1,500	2,139,306	15,646	
223,405	(752,841)	844,170	(5,622,088)	301,349	
1,393,392	1,079,968	864,527	43,315,681	4,526,434	
\$ 1,616,797	\$ 327,127	\$ 1,708,697	\$ 37,693,593	\$ 4,827,783	
\$ 1,115,982	\$ 327,127	\$ 1,708,697	\$ 32,703,610	\$ 4,827,783	
500,815	-	-	4,989,983	-	
\$ 1,616,797	\$ 327,127	\$ 1,708,697	\$ 37,693,593	\$ 4,827,783	

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

TOWN OF CASTLE ROCK, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Water	Water Resources	Stormwater	Wastewater
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,194,775	\$ 3,890,746	\$ (877,869)	\$ 1,028,599
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	6,249,405	1,374,916	2,127,127	2,576,038
Changes in operating assets and liabilities				
(Increase) decrease in assets				
Accounts receivable	(450,700)	(268,404)	(37,089)	(65,119)
Prepaid items	379,934	240,617	(4,197)	(1,581)
Inventory	-	-	-	-
Equity in joint venture	-	-	-	(1,056,612)
Increase (decrease) in liabilities				
Accounts payable	(118,711)	33,658	89,398	(182,368)
Accrued leave	146,082	21,849	20,712	4,681
Unearned revenue	59,551	-	(2,315)	(33,782)
Deposits	(21,460)	-	-	-
Total adjustments	6,244,101	1,402,636	2,193,636	1,241,257
Net cash provided by (used in) operating activities	<u>\$ 7,438,876</u>	<u>\$ 5,293,382</u>	<u>\$ 1,315,767</u>	<u>\$ 2,269,856</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributed infrastructure	\$ 4,858,089	\$ 874,900	\$ 7,511,755	\$ 3,539,871
Equity in joint venture	-	-	-	277,143
Payables incurred for purchase of capital assets	(1,076,399)	(2,249,272)	(278,621)	(37,376)
Amortization of premium, discount and deferred loss on refunding	(56,300)	(533,353)	-	(5,045)
Increase (decrease) in fair value of investments	116,401	572,917	1,564	(15,546)
Noncash investing, capital and financing activities	<u>\$ 3,841,791</u>	<u>\$ (1,334,808)</u>	<u>\$ 7,234,698</u>	<u>\$ 3,759,047</u>

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	
\$ 670,959	\$ (4,263,236)	\$ 861,629	\$ 2,505,603	\$ (1,600,468)	
272,732	334,678	133,094	13,067,990	3,068,586	
(3,362)	(119,317)	(35,184)	(979,175)	5,862	
10,932	5,333	(48,283)	582,755	(367)	
(10,566)	-	-	(10,566)	-	
-	-	-	(1,056,612)	-	
47,052	(108,439)	(103,774)	(343,184)	22,317	
13,417	64,800	35,188	306,729	5,836	
(3,665)	-	-	19,789	49,819	
29,009	300	-	7,849	-	
355,549	177,355	(18,959)	11,595,575	3,152,053	
<u>\$ 1,026,508</u>	<u>\$ (4,085,881)</u>	<u>\$ 842,670</u>	<u>\$ 14,101,178</u>	<u>\$ 1,551,585</u>	
\$ -	\$ -	\$ -	\$ 16,784,615	\$ -	
-	-	-	277,143	-	
(43,705)	-	-	(3,685,373)	(19,612)	
38,267	-	-	(556,431)	-	
2,308	7,266	33,901	718,811	22,630	
<u>\$ (3,130)</u>	<u>\$ 7,266</u>	<u>\$ 33,901</u>	<u>\$ 13,538,765</u>	<u>\$ 3,018</u>	

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



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FIDUCIARY FUNDS

Fiduciary funds account for assets held on behalf of outside parties, including individuals, organizations and other governments. Fiduciary funds are not reflected in the Town-wide financial statements because the assets of those funds are not available to support Town programs or operations.

PENSION TRUST FUNDS

Pension trust funds account for the activities and accumulation of resources to pay retirement benefits for employees.

FPPA Fire Volunteers Pension Fund

The FPPA Fire Volunteers Pension Fund is a pension trust fund used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future.

CUSTODIAL FUNDS

Custodial funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement for individuals, organizations and other governments. The Custodial Funds column is an aggregate of the following funds.

Custodial Funds

Add-On PIF Fund

Special District Fee Fund

Use Tax Fund

Authority Development Fee Fund

TOWN OF CASTLE ROCK, COLORADO

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2020

	Pension Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 281,910
Affiliated local plan pool	973,762	-
Total assets	<u>973,762</u>	<u>281,910</u>
LIABILITIES		
Accounts payable	-	500
Due to organizations and other governments	-	281,410
Total liabilities	<u>-</u>	<u>281,910</u>
NET POSITION		
Restricted for:		
Pensions	<u>973,762</u>	<u>-</u>
Total net position	<u>\$ 973,762</u>	<u>\$ -</u>

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

TOWN OF CASTLE ROCK, COLORADO

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Pension Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Town of Castle Rock	\$ 20,440	\$ -
State funding	17,635	-
Total contributions	<u>38,075</u>	<u>-</u>
Investment earnings	120,740	-
Less investment expense	(11,906)	-
Net investment earnings	<u>108,834</u>	<u>-</u>
Fee and permit collections for organizations and other governments	-	1,107,694
Tax collections for other governments	-	<u>1,705,233</u>
Total additions	146,909	2,812,927
DEDUCTIONS		
Benefits paid to participants or beneficiaries	112,590	-
Payments of fees and permits to organizations and other governments	-	1,105,955
Payments of taxes to other governments	-	1,699,233
Administrative expense	-	<u>7,739</u>
Total deductions	<u>112,590</u>	<u>2,812,927</u>
Net increase in fiduciary net position	34,319	-
Net position - January 1 - as previously reported	-	-
Change in accounting principle	<u>939,443</u>	<u>-</u>
Net position - January 1 - as restated	<u>939,443</u>	<u>-</u>
Net position - December 31	<u>\$ 973,762</u>	<u>\$ -</u>

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



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COMPONENT UNITS

Component units are legally separate organizations for which the Town is considered financially accountable or whose exclusion would make the Town's financial statements misleading or incomplete.

Castle Rock Downtown Development Authority (CRDDA)

The Castle Rock Downtown Development Authority (CRDDA), a discretely presented component unit, accounts for activities related to financing, constructing and operating various public improvements in downtown Castle Rock.

Miller's Landing Business Improvement District (BID)

The Miller's Landing Business Improvement District (BID), a discretely presented component unit, accounts for activities related to business improvements within the District's service area.

TOWN OF CASTLE ROCK, COLORADO

COMPONENT UNITS

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	Castle Rock Downtown Development Authority	Miller's Landing Business Improvement District	Total
ASSETS			
Cash and cash equivalents	\$ 642,864	\$ 56,301	\$ 699,165
Restricted cash and cash equivalents	-	5,874,378	5,874,378
Due from primary government	-	150,329	150,329
Receivables			
Property taxes	175,858	15,667	191,525
Other	-	672	672
Prepaid items	15,884		15,884
Capital assets			
Construction in progress	-	12,431,796	12,431,796
Buildings and improvements	227,596	-	227,596
Machinery and equipment	146,563	-	146,563
Accumulated depreciation	(281,541)	-	(281,541)
Total assets	927,224	18,529,143	19,456,367
LIABILITIES			
Accounts payable	1,675	-	1,675
Retainage payable	-	283,533	283,533
Accrued liabilities	32,998	662,748	695,746
<i>Noncurrent liabilities:</i>			
Due beyond one year	-	22,627,523	22,627,523
Total liabilities	34,673	23,573,804	23,608,477
DEFERRED INFLOWS OF RESOURCES			
Sponsorships	11,333	-	11,333
Property tax	175,858	15,667	191,525
Total deferred inflows of resources	187,191	15,667	202,858
NET POSITION			
Net investment in capital assets	92,618	(4,321,349)	(4,228,731)
Restricted for emergency reserves	-	884	884
Restricted for debt service	-	2,660,549	2,660,549
Restricted for other purposes	9,000	-	9,000
Unrestricted (deficit)	603,742	(3,400,412)	(2,796,670)
Total net position (deficit)	\$ 705,360	\$ (5,060,328)	\$ (4,354,968)

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

TOWN OF CASTLE ROCK, COLORADO

COMPONENT UNITS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Castle Rock Downtown Development Authority	Miller's Landing Business Improvement District	Total
EXPENSES	\$ 452,751	\$ 1,694,741	\$ 2,147,492
PROGRAM REVENUES			
Charges for services	123,336	-	123,336
Sponsorships	18,970	-	18,970
Grants and donations	178,226	-	178,226
Total program revenues	320,532	-	320,532
Net expenses	(132,219)	(1,694,741)	(1,826,960)
GENERAL REVENUES			
Taxes			
Property taxes	209,575	15,656	225,231
Other taxes	-	157,828	157,828
Investment and interest earnings	-	28,401	28,401
Other	15,513	555	16,068
Total general revenues	225,088	202,440	427,528
Changes in net position	92,869	(1,492,301)	(1,399,432)
Net position - January 1, as previously reported	612,491	-	612,491
Change in reporting entity	-	(3,568,027)	(3,568,027)
Net position (deficit) - January 1, as restated	612,491	(3,568,027)	(2,955,536)
Net position (deficit) - December 31	\$ 705,360	\$ (5,060,328)	\$ (4,354,968)

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



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Notes to the Basic Financial Statements

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

SUMMARY OF NOTES TO THE BASIC FINANCIAL STATEMENTS

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TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020.

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.

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

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Financial Reporting Entity (continued)

The Miller's Landing Business Improvement District (BID) was organized on September 20, 2016, and is governed pursuant to provisions of the Business Improvement District Act, CRS 31-25-1203. The District operates under a service plan approved by the Town of Castle Rock on August 8, 2016, and is governed by a Board of Directors comprised of up to five members appointed by Town Council. The District was established for the purpose of making public improvements and providing services to the proposed commercial development, in accordance with the District's operating plan.

Separately issued financial reports are available for the Miller's Landing BID. The report may be obtained by contacting:

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

Fiduciary component unit

The FPPA Fire Volunteers Pension Plan is part of a statewide agent multiple-employer defined benefit Public Employee Retirement System. The Affiliated Local Plans represent the assets of numerous separate plans that have been pooled for investment purposes. These pension plans have elected to affiliate with FPPA for plan administration and investment purposes only and are held in a trust. Each plan has a separate plan document and actuarial valuation and is governed by its own local pension board which has the authority to amend the plan benefits, such as cost-of-living increases, funeral benefits, and others as applicable. The Plan is funded by contributions from the Town and the State. The Town Fire Volunteer Pension Board consists of three plan members, two public safety commissioners, the Mayor, the Fire Chief, and the Finance Director. The FPPA Fire Volunteers Pension Plan is not included in the Town-wide statements because its assets are not available to support the Town's own programs. The FPPA Comprehensive Annual Financial Report can be obtained on FPPA's website at: www.fppaco.org/annual-reports.html.

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 non-fiduciary 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 the legally separate *component units* 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.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Statement Presentation (continued)

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, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the Town-wide reporting as the assets are not available to support Town programs or operations. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 three fund categories: governmental, proprietary and fiduciary. 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 *Parking Fund* is a sub-fund of the General Fund to fund public parking garage maintenance and debt payments related to the Encore Redevelopment Agreement.

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
 - Building Use Tax
- Intergovernmental revenues are inclusive of but not limited to the following:
 - Highway User Revenue
 - Road & Bridge Revenue
 - Douglas County Shareback
- Charge for services

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Statement Presentation (continued)

Fund Financial Statements (continued)

- 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.

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.

In addition, the Town reports the internal service funds as non-major funds. The 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, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Statement Presentation (continued)

Fund Financial Statements (continued)

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including individuals, organizations and other governments. Fiduciary funds are not reflected in the Town-wide financial statements because the assets of those funds are not available to support Town programs or operations. The fiduciary activities of the Town are reported in the following fiduciary funds:

The *FPPA Fire Volunteers Pension Fund* is a pension trust fund used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by the Town at amounts determined by biennial actuarial studies as well as contributions by the State of Colorado.

The *Add-On PIF Fund* is a custodial fund used to account for the receipt and disbursement of the Add-On Public Improvement Fee (PIF) collected on sales transactions in the Promenade retail center. The Town remits collections of the Add-On PIF to the Promenade Metropolitan District No. 1 on a monthly basis.

The *Special District Fee Fund* is a custodial fund used to account for receipt and disbursement of the Meadows District imposed capital reserve fee. The Town remits collections of the capital reserve fee to the Meadows Districts on a monthly basis.

The *Use Tax Fund* is a custodial fund used to account for the receipt and disbursement of Douglas County's 1.00% portion of the use tax imposed on construction materials that are utilized in the construction of real property. The Town remits collections of the use tax to Douglas County on a monthly basis.

The *Authority Development Fee Fund* is a custodial fund used to account for the receipt and disbursement of the Cherry Creek Basin Water Quality Authority's imposed Development Fee. The fee is collected on new construction and development within the portion of the Town that overlaps the Authority's boundaries. The Town remits collections of the fee to the Authority periodically, as received.

C. Measurement Focus and Basis of Accounting

The Town-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds, and discretely presented component unit financial statements. 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.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

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 and the affiliated local plan pool 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.

F. Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable. The allowance of \$252,779 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.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 lease purchase 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 lease purchase agreements is included in the depreciation line item on the financial statements.

J. Property Taxes

Property taxes attached as a lien on property on January 1, are certified to the county by December 15th and are levied the following January 1st. Property taxes are payable in full by April 30th, or in two equal installments due February 28th and June 15th. Taxes collected by the county are remitted to the Town by the 10th 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:

	Governmental Activities	Business-type Activities
Vendors	\$ 5,147,462	\$ 4,150,566
Salaries and benefits	756,447	334,754
Total	<u>\$ 5,903,909</u>	<u>\$ 4,485,320</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. In response to the Pandemic, employees were allowed to carryover unused vacation and sick benefits above the maximum hours.

N. Non-current Liabilities

Non-current liabilities include: bonds, notes, certificates of participation, lease purchase agreements, 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.

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.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance and Net Position (continued)

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.

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.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

During 2020, the Town adopted five Governmental Accounting Standards Board Statements: No. 83, *Certain Asset Retirement Obligations* (GASB 83), No. 84, *Fiduciary Activities* (GASB 84), No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88), No. 90, *Majority Equity Interest – an Amendment of GASB Statements No. 14 and No. 61* (GASB 90), and paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* (GASB 97).

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset that results from an obligation to perform future asset retirement activities. As of December 31, 2020, the Town had no asset retirement obligations as defined by GASB 83 and, consequently, there is no financial statement liability to report.

GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments, and focuses on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement describes four fiduciary funds that should be reported, if applicable: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Custodial funds are used to report fiduciary activities not held in a trust or equivalent arrangement that meets specific criteria. The Town reports one pension trust fund and four custodial funds which are reported in the basic financial statements in the statement of fiduciary net position and the statement of changes in fiduciary net position. The implementation of GASB 84 resulted in a restatement of beginning fiduciary net position for the pension trust fund in the amount of \$939,443. As a result of the adoption of GASB 84 the Add-On PIF Fund, Special District Fee Fund, Use Tax Fund, and Authority Development Fee Fund are being reported as custodial funds. In prior years these were reported as assets and liabilities of \$65,213, \$54,338, \$102,933, and \$2,160 in the General Fund, Water Fund, General Fund, and General Fund, respectively. This change had no impact on fund balance/net position of the respective funds.

GASB Statement No. 88 clarifies the definition of debt and updates related financial statement note disclosure requirements, including separate reporting of direct borrowing and direct placement debt, unused lines of credit, assets pledged as collateral for the debt, and any terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. The changes effected with implementation of this standard can be found in Note 9 on page 73.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Implementation of New GASB Standards (continued)

GASB Statement No. 90 addresses accounting and financial reporting for majority equity interests in legally separate organizations either as an investment or a component unit. The standard does not apply to joint ventures. An evaluation of the standard concluded that as of December 31, 2020, the Town had no majority equity interests in legally separate organizations to account for as required by standard.

GASB 97 paragraphs 4 and 5 modified the applicability of certain component unit criteria related to defined contribution pension plans. This criteria was considered in conjunction with the implementation of GASB 84 and based upon this guidance none of the Town's defined contribution plans met the criteria to be reported as fiduciary activities. The Town will implement paragraphs 6-9 for the fiscal year ending December 31, 2022 as required by the standard.

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

The details of the \$48,894,728 difference relating to governmental activities long-term liabilities are as follows:

2013 Sales and use tax bonds	\$ 1,590,000
2016 Sales and use tax bonds	6,075,000
2020 Sales and use tax bonds	18,550,000
2013 Certificates of participation	6,745,000
2020 Certificates of participation	8,485,000
Accrued leave, excluding internal service funds of \$69,755	4,789,229
Debt premiums and discounts	2,447,753
Accrued interest payable	<u>212,746</u>
Net adjustments to governmental funds	
fund balances to arrive at net position for	
governmental activities	<u>\$ 48,894,728</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Principal payments	
2013 Sales and use tax bonds	\$ 510,000
2016 Sales and use tax bonds	635,000
2013 Certificates of participation	385,000
Bond issuance	(18,550,000)
COP issuance	(8,485,000)
Payment to escrow agent	18,452,327
Issuance of debt premiums and discounts	(1,450,969)
Amortization of debt premium and discounts	231,162
Amortization of refunding loss	(59,966)
Accrued interest on debt	(92,094)
Net increase in accrued leave	(582,024)
Net adjustments to governmental fund revenues and expenditures to arrive at the change in net position for governmental activities.	\$ (9,006,564)

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

3. DEPOSITS AND INVESTMENTS

Summary Of Deposits By Fund Type And Fund

Fund	Petty Cash	Deposits	Investments	Equity in Town Pool	Totals
Governmental Activities					
General Fund					
Cash and cash equivalents	\$ 49,110	\$ 109,487	\$ 8,331,131	\$ 7,147,488	\$ 15,637,216
Investments	-	-	16,199,104	-	16,199,104
Restricted cash and cash equivalents	-	-	800,000	9,757,738	10,557,738
Transportation					
Cash and cash equivalents	-	18,501	6,745,062	4,730,323	11,493,886
Investments	-	-	6,154,560	-	6,154,560
Transportation Capital					
Cash and cash equivalents	-	-	6,866,029	5,058,457	11,924,486
Investments	-	-	6,630,276	-	6,630,276
Other Governmental Funds					
Cash and cash equivalents	300	2,015,652	820,979	12,184,872	15,021,803
Investments	-	-	4,633,573	-	4,633,573
Internal Service Funds					
Cash and cash equivalents	-	-	2,254,663	2,573,120	4,827,783
Investments	-	-	2,266,286	-	2,266,286
Total governmental activities	49,410	2,143,640	61,701,663	41,451,998	105,346,711
Business-type Activities					
Water					
Cash and cash equivalents	895	-	7,353,867	5,950,834	13,305,596
Investments	-	-	11,657,339	-	11,657,339
Water Resources					
Cash and cash equivalents	-	-	3,635,873	1,163,125	4,798,998
Investments	-	-	40,409,735	-	40,409,735
Stormwater					
Cash and cash equivalents	-	-	1,993,365	1,874,869	3,868,234
Investments	-	-	6,943,277	-	6,943,277
Restricted cash and cash equivalents	-	-	2,244,584	2,244,584	4,489,168
Wastewater					
Cash and cash equivalents	-	-	3,366,951	4,212,025	7,578,976
Investments	-	-	5,229,774	-	5,229,774
Golf					
Cash and cash equivalents	2,500	4,913	376,074	732,495	1,115,982
Investments	-	-	431,166	-	431,166
Restricted cash and cash equivalents	-	500,815	-	-	500,815
Community Center					
Cash and cash equivalents	2,320	3,971	94,472	226,364	327,127
Investments	-	-	527,682	-	527,682
Development Services					
Cash and cash equivalents	-	-	214,295	1,494,402	1,708,697
Investments	-	-	3,395,145	-	3,395,145
Total business-type activities	5,715	509,699	87,873,599	17,898,698	106,287,711
Total primary government	55,125	2,653,339	149,575,262	59,350,696	211,634,422

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

3. DEPOSITS AND INVESTMENTS (continued)

Summary Of Deposits By Fund Type And Fund

Fund	Petty Cash	Deposits	Investments	Equity in Town Pool	Totals
Fiduciary Funds					
Pension Trust					
Investments	-	-	973,762	-	973,762
Add on PIF					
Restricted Cash and cash equivalents	-	-	-	80,959	80,959
Special District Fees					
Restricted Cash and cash equivalents	-	-	-	43,916	43,916
Use Tax					
Restricted Cash and cash equivalents	-	-	-	155,895	155,895
Authority Development Fees					
Restricted Cash and cash equivalents	-	-	-	1,140	1,140
Total fiduciary funds	-	-	973,762	281,910	1,255,672
Total All Funds	\$ 55,125	\$ 2,653,339	\$ 150,549,024	\$ 59,632,606	\$ 212,890,094
Deposits in Town Pool	-	59,632,606	-	(59,632,606)	-
Totals	<u>\$ 55,125</u>	<u>\$ 62,285,945</u>	<u>\$ 150,549,024</u>	<u>\$ -</u>	<u>\$ 212,890,094</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020, 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	17.30%
Corporate Bonds	11.26%
Federal Home Loan Banks (FHLB)	10.44%
Federal Home Loan Mortgage Corporation (FHLMC)	8.40%
Federal National Mortgage (FNMA)	9.19%
Municipal Bonds	6.80%
Federal Farm Credit Banks (FFCB)	6.45%

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, 2020, the Town's cash deposits had a carrying value of \$62,285,945 and a corresponding bank balance of \$64,742,840 of which \$1,001,500 was FDIC insured and \$63,741,340 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, 2020

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, 2020

3. DEPOSITS AND INVESTMENTS (continued)

B. Town Deposit and Investment Policies (continued)

The Town's investments on December 31, 2020 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		\$ 12,328,463	\$ 13,543,536	\$ 25,871,999	\$ -
U.S. Agencies	AA+	5,523,105	46,059,759	51,582,864	-
Municipal Bonds	AA- - AAA	-	10,178,309	10,178,309	-
Corporate Bonds	AA- - AAA	7,767,217	9,077,528	16,844,745	-
Investment Pools					
Local Government Investment Pool *	AAAm	45,097,345	-	-	45,097,345
Pension Trust Affiliated Local Plan Pool	NR	973,762	-	-	973,762
Total		<u>\$ 70,716,130</u>	<u>\$ 78,859,132</u>	<u>\$ 104,477,917</u>	<u>\$ 46,071,107</u>

*Included as part of cash and cash equivalents for financial reporting purposes.

Local Government Investment Pool – At December 31, 2020 the Town had \$45,097,345 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 AAAm 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 CSAFE's financial statements is available at its website www.csafe.org.

Pension Trust Affiliated Local Plan Pool – At December 31, 2020 the Town had \$973,762 invested in FPPA's Long-Term Investment Pool of the Fire & Police Members' Benefit Investment Fund and fall under the complete investment authority of the FPPA Board of Directors. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. On a monthly basis shared revenues and expenses are allocated to each affiliate. The Plan is included in FPPA's annual issued audited financials. Additional information regarding the investments and associated risk may be obtained in this report at www.fppaco.org.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

3. DEPOSITS AND INVESTMENTS (continued)

B. Town Deposit and Investment Policies (continued)

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, 2020:

Investment by Fair Value Level	December 31, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Treasuries	\$ 25,871,999	\$ -	\$ 25,871,999	\$ -
U.S. Agencies	51,582,864	-	51,582,864	-
Municipal Bonds	10,178,309	-	10,178,309	-
Corporate Bonds	16,844,745	-	16,844,745	-
Total investments by fair value level	104,477,917	\$ -	\$ 104,477,917	\$ -
Investment Measured at the Net Asset Value (NAV)				
Local Government Investment Pool	45,097,345			
Pension Trust Affiliated Local Plan Pool	973,762			
Total investments measured at the NAV	46,071,107			
Total investments	\$ 150,549,024			

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

4. RESTRICTED ASSETS

Restricted Cash and Cash Equivalents

<u>Fund</u>	<u>Purpose</u>	<u>Balance</u> <u>December 31, 2020</u>
Governmental activities		
General - Economic Development	Agreement	\$ 800,000
General - Parking	2020 Certificates of Participation	9,757,738
	Total Governmental activities	<u>\$ 10,557,738</u>
Business-type activities		
Stormwater	Unspent note proceeds	4,489,168
Golf	2015 Revenue Refunding and Improvement Bonds	
	Debt Service Reserve	500,815
	Total Business-type activities	<u>\$ 4,989,983</u>
	Total Restricted Cash and Cash Equivalents	<u>\$ 15,547,721</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 \$800,000 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, 2020 is \$800,000 to be used to pay amounts in Accounts Payable at year end.

Parking Fund

In 2020, the Town issued COP's to fund the public parking structure. The restricted cash balance at December 31, 2020 is \$9,757,738.

Stormwater Fund

The restricted cash in the Stormwater Fund relates to unspent note proceeds of \$4,489,168 received on December 19, 2020.

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.

Conservation Trust Fund

The Town has cash in escrow at Douglas County for the Open Space Shareback totaling \$4,166,457.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2020 is \$1,081,950.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

6. CAPITAL ASSETS

Changes in Capital Asset Activity for the Year Ended December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 60,555,627	\$ 7,733,078	\$ -	\$ -	\$ 68,288,705
Artwork	293,733	-	-	-	293,733
Construction in progress	18,752,157	(5,553,754)	-	-	13,198,403
Easements	3,318,548	987,264	-	-	4,305,812
Right of way	9,499,564	814,530	-	-	10,314,094
Total capital assets, not being depreciated	92,419,629	3,981,118	-	-	96,400,747
Capital assets being depreciated					
Buildings and improvements	64,504,899	4,367,155	(45,653)	-	68,826,401
Infrastructure	385,573,411	19,725,167	(118,163)	-	405,180,415
Other structures and improvements	63,110,665	1,596,010	(60,819)	-	64,645,856
Machinery and equipment	39,101,919	2,814,073	(793,470)	-	41,122,522
Total capital assets being depreciated	552,290,894	28,502,405	(1,018,105)	-	579,775,194
Less accumulated depreciation					
Buildings and improvements	(16,325,741)	(1,742,678)	8,930	-	(18,059,489)
Infrastructure	(166,327,003)	(12,184,197)	90,592	-	(178,420,608)
Other structures and improvements	(35,928,854)	(3,147,419)	49,669	-	(39,026,604)
Machinery and equipment	(24,586,361)	(4,275,501)	755,312	-	(28,106,550)
Total accumulated depreciation	(243,167,959)	(21,349,795)	904,503	-	(263,613,251)
Total capital assets, being depreciated, net	309,122,935	7,152,610	(113,602)	-	316,161,943
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 401,542,564</u>	<u>\$ 11,133,728</u>	<u>\$ (113,602)</u>	<u>\$ -</u>	<u>\$ 412,562,690</u>
Depreciation expense charged to functions					
Governmental activities					
General government		\$ 1,184,340			
Public safety		577,762			
Public works		13,268,835			
Culture and recreation		3,250,272			
Fleet internal service fund		3,068,586			
Total governmental activities depreciation expense		<u>\$ 21,349,795</u>			

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

6. CAPITAL ASSETS (continued)

Changes in Capital Asset Activity for the Year Ended December 31, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets not being depreciated					
Land	\$ 9,454,785	\$ 797,036	\$ -	\$ 8,533,709	\$ 18,785,530
Construction in progress	117,609,833	28,759,010	(17,406)	(33,933,596)	112,417,841
Easements	11,904,892	1,175,080	-	850,970	13,930,942
Right of way	244,469	-	-	-	244,469
Water rights	98,280,474	1,942,326	(2,463,400)	381,956	98,141,356
Total capital assets, not being depreciated	237,494,453	32,673,452	(2,480,806)	(24,166,961)	243,520,138
Capital assets being depreciated					
Buildings and improvements	40,512,245	-	-	-	40,512,245
Infrastructure	393,182,086	33,126,863	-	24,026,706	450,335,655
Other structures and improvements	6,504,871	468,498	-	20,757	6,994,126
Machinery and equipment	7,733,642	349,057	-	119,498	8,202,197
Water rights - definite life	72,634,520	141,373	-	-	72,775,893
Total capital assets being depreciated	520,567,364	34,085,791	-	24,166,961	578,820,116
Less accumulated depreciation					
Buildings and improvements	(10,415,837)	(1,016,394)	-	-	(11,432,231)
Infrastructure	(136,440,209)	(10,411,556)	-	-	(146,851,765)
Other structures and improvements	(2,665,460)	(462,449)	-	-	(3,127,909)
Machinery and equipment	(4,602,080)	(600,112)	-	-	(5,202,192)
Water rights - definite life	(20,564,718)	(577,479)	-	-	(21,142,197)
Total accumulated depreciation	(174,688,304)	(13,067,990)	-	-	(187,756,294)
Total capital assets, being depreciated, net	345,879,060	21,017,801	-	24,166,961	391,063,822
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 583,373,513</u>	<u>\$ 53,691,253</u>	<u>\$ (2,480,806)</u>	<u>\$ -</u>	<u>\$ 634,583,960</u>
Depreciation expense charged to functions					
Business-type activities					
Water		\$ 6,249,405			
Water Resources		1,374,916			
Stormwater		2,127,127			
Wastewater		2,576,038			
Golf Course		272,732			
Development Services		133,094			
Community Center		334,678			
Total business-type activities depreciation expense		<u>\$ 13,067,990</u>			

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020, the Town had an equity interest in PCWRA of \$28,762,647. This represents an 86.5% interest in the net position of the PCWRA. During 2020, PCWRA charged the Town \$2,851,132 for the treatment of wastewater. The Town also paid to PCWRA \$2,463,621 which represents the Town's share of debt service payments for the previous treatment plant expansion.

Investment balance January 1	\$	27,428,892
Net income from joint venture		277,143
Town contributions		<u>1,056,612</u>
Investment balance December 31	\$	<u>28,762,647</u>

8. SHORT-TERM DEBT

Short-term debt activity for the year ended December 31, 2020, was as follows:

	Balance January 1, 2020	Issued	Repaid	Balance December 31, 2020
Governmental activities				
Downtown Development Authority				
Line of Credit	<u>\$ -</u>	<u>\$ 2,709,542</u>	<u>\$ (1,927,215)</u>	<u>\$ 782,327</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 2020, the Town had an approved Line of Credit for \$1,000,000 maturing on January 1, 2021 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 4.75% or more than 7% per annum. Upon Town Council approval, this line of credit is renewed annually. As of December 31, 2020 the Town has unused line of credit in the amount of \$217,673. An annual renewal of the Line of Credit for \$1,000,000 was approved in 2021.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

9. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity for the year ended December 31, 2020:

	Balance January 1	Additions	Reductions	Balance December 31	Due within One Year	Due beyond One Year
Governmental activities						
Bonds payable						
2013 Sales and use tax	\$ 18,525,000	\$ -	\$ (16,935,000)	\$ 1,590,000	\$ 515,000	\$ 1,075,000
2016 Sales and use tax	6,710,000	-	(635,000)	6,075,000	665,000	5,410,000
2020 Sales and use tax	-	18,550,000	-	18,550,000	-	18,550,000
Certificates of participation						
2013 COPs	7,130,000	-	(385,000)	6,745,000	400,000	6,345,000
2020 COPs	-	8,485,000	-	8,485,000	-	8,485,000
Bond/COP premiums & discounts	2,803,047	1,450,969	(1,806,263)	2,447,753	-	2,447,753
Accrued leave *	4,271,124	3,026,672	(2,438,812)	4,858,984	2,399,743	2,459,241
Net pension liability **	1,669,557	203,737	(1,669,557)	203,737	-	203,737
Total governmental activities	<u>\$ 41,108,728</u>	<u>\$ 31,716,378</u>	<u>\$ (23,869,632)</u>	<u>\$ 48,955,474</u>	<u>\$ 3,979,743</u>	<u>\$ 44,975,731</u>
Business-type activities						
Bonds payable						
2012 Water & Wastewater	\$ 4,975,000	\$ -	\$ (1,180,000)	\$ 3,795,000	\$ 1,225,000	\$ 2,570,000
2015 Water & Wastewater	4,060,000	-	(525,000)	3,535,000	535,000	3,000,000
2015 Golf Course	3,525,000	-	(400,000)	3,125,000	410,000	2,715,000
2016 Water & Wastewater	42,435,000	-	(1,925,000)	40,510,000	2,015,000	38,495,000
Bond premiums & discounts	8,567,717	-	(686,685)	7,881,032	-	7,881,032
Notes and leases from direct borrowings and direct placements ***	4,907,441	4,500,000	(164,052)	9,243,389	132,613	9,110,776
Accrued leave	1,445,035	1,039,219	(732,490)	1,751,764	760,166	991,598
Total business-type activities	<u>\$ 69,915,193</u>	<u>\$ 5,539,219</u>	<u>\$ (5,613,227)</u>	<u>\$ 69,841,185</u>	<u>\$ 5,077,779</u>	<u>\$ 64,763,406</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.

*** Implementation of GASB 88, "Certain Debt Disclosures", required items previously reported as capital leases to be reclassified to financed purchase agreements which are reported under the category Notes and Leases from Direct Borrowings and Direct Placements. As such, the beginning balances of Business-type activities in the amount of \$407,441 was reclassified from 2019 ending capital lease balances to notes and leases from direct borrowings and direct placements.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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 Castle Rock Parkway. 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. In October 2020, the outstanding bonds were partially refunded with the Sales and Use Tax Revenue Refunding Bonds, Series 2020. A portion of the 2013 bonds maturing in 2021, 2022 and 2023 totaling \$1,590,000 were not refunded. The Town established an escrow account with proceeds from the 2020 refunding bonds. The amount deposited into the escrow is expected to be sufficient to pay interest on the defeased debt from 2020 until 2023 and to pay the outstanding principal on the defeased debt when the refunded bonds are called on June 1, 2023. The amount of debt outstanding in escrow at December 31, 2020 is \$16,425,000. As of December 31, 2020, future payments of principal and interest on the unrefunded Series 2013 Bonds total \$1,670,481. 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, 2020 revenues of \$23,209,405 were available to pay annual debt service of \$1,235,468.

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, 2020, future payments of principal and interest total \$7,243,026. 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, 2020 revenues of \$23,209,405 were available to pay annual debt service of \$902,325.

In October 2020, the Town issued \$18,550,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2020 at interest rates ranging from 1.03% – 2.42%. The purpose of the 2020 bonds was to reduce the interest rate paid on the Town's debt by refunding a portion of the Town's Sales and Use Tax Revenue Bonds, Series 2013 in the amount of \$16,425,000. The purpose of the 2013 bonds was to finance a portion of Castle Rock Parkway. Principal payments are due annually on June 1 through 2035 commencing June 1, 2025. Interest payments are due semi-annually on June 1 and December 1 commencing June 1, 2021. As of December 31, 2020, future payments of principal and interest total \$22,569,921. 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. The reacquisition price of the refunded bonds exceeded the net carrying amount of the old debt by \$452,225. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. As a result, the debt service payments were reduced by a total of \$2,341,954. The refunding transaction resulted in a net present value savings of \$2,193,752.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

9. LONG-TERM LIABILITIES (continued)

A. Revenue Bonds (continued)

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, 2020, net pledged revenues of \$44,471,824 were available to pay annual debt service of \$2,061,525 for the bonds. As of December 31, 2020, future payments of principal and interest, on the 2012 bonds total \$4,154,500 and the 2015 bonds total \$4,124,100.

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, 2020, future payments of principal and interest total \$55,020,475. 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, 2020, net pledged revenues of \$44,471,824 were available to pay annual debt service of \$3,722,558.

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, 2020, net pledged revenues of \$1,035,708 were available to pay annual debt service of \$500,815. As of December 31, 2020 the outstanding balance, including principal and interest was \$3,492,510.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

9. LONG-TERM LIABILITIES (continued)

A. Revenue Bonds (continued)

Revenue Bonds Outstanding at December 31, 2020

<u>Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Amount</u>
Governmental Activities			
2013 Sales and Use Tax Bonds	6/1/2035	1.50% - 5.00%	\$ 1,590,000
2016 Sales and Use Tax Bonds	6/1/2028	2.00% - 5.00%	6,075,000
2020 Sales and Use Tax Bonds	6/1/2035	1.03% - 2.42%	18,550,000
Total governmental activities			<u>\$ 26,215,000</u>
Business-type activities			
2012 Water and Wastewater Revenue Refunding Bonds	12/1/2023	2.00% - 5.00%	\$ 3,795,000
2015 Water and Wastewater Revenue Refunding Bonds	12/1/2026	2.00% - 5.00%	3,535,000
2015 Golf Course Revenue Refunding and Improvement Bonds Revenue Bonds	12/1/2027	2.86%	3,125,000
2016 Water and Wastewater Revenue Refunding Bonds	12/1/2034	1.50% - 5.00%	40,510,000
Total business-type activities			<u>\$ 50,965,000</u>

Revenue Bond Debt Service Requirements to Maturity

Government-type Activities			Business-type Activities	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,180,000	\$ 701,157	\$ 4,185,000	\$ 2,130,800
2022	1,215,000	608,349	4,300,000	2,036,049
2023	1,260,000	567,225	4,505,000	1,861,837
2024	730,000	536,425	3,350,000	1,651,646
2025	1,665,000	502,749	3,545,000	1,493,669
2026-2030	9,525,000	1,735,084	16,230,000	5,131,384
2031-2035	10,640,000	617,440	14,850,000	1,521,200
	<u>\$ 26,215,000</u>	<u>\$ 5,268,428</u>	<u>\$ 50,965,000</u>	<u>\$ 15,826,585</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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 1 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.

In October 2020, the Town issued Certificates of Participation (COPs) in the amount of \$8,485,000. The purpose of the COPs was to fund a portion of the acquisition, construction, installation, and improvements of 308 public parking spaces in the Encore parking garage. Principal payments are due annually on December 1 through 2048, commencing December 1, 2033. Interest payments are due semi-annually on June 1 and December 1 commencing June 1, 2021.

COPs Outstanding at December 31, 2020

<u>Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Amount</u>
Governmental Activities			
2013 Parks and Recreation COPs	12/1/2033	2.0% - 5.0%	\$ 6,745,000
2020 Parking Fund COPs	12/1/2048	4.0%	8,485,000
Total governmental activities			<u>\$ 15,230,000</u>

COPs Debt Service Requirements to Maturity

Government-type Activities		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 400,000	\$ 697,780
2022	415,000	633,813
2023	430,000	617,213
2024	450,000	600,013
2025	465,000	582,013
2026-2030	2,660,000	2,575,276
2031-2035	3,455,000	1,834,950
2036-2040	3,025,000	1,134,000
2041-2045	2,195,000	623,400
2046-2048	1,735,000	142,000
	<u>\$ 15,230,000</u>	<u>\$ 9,440,458</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

9. LONG-TERM LIABILITIES (continued)

C. Notes and Leases from Direct Borrowings and Placements

The following is a summary of notes and leases from direct borrowings and placements for the year ended December 31, 2020:

Notes and Leases from Direct Borrowings and Placements

	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Business-type activities		
2016 Golf Course Equipment Lease Purchase Agreement	\$ 300,148	\$ 26,688
2019 Golf Course Carts Lease Purchase Agreement	424,228	216,701
Total Lease Purchase Agreements	<u>724,376</u>	<u>243,389</u>
2019 Stormwater Notes Payable	<u>9,500,000</u>	<u>9,000,000</u>
Total Notes and Leases from Direct Borrowings and Placements	<u>\$ 10,224,376</u>	<u>\$ 9,243,389</u>

*As of December 31, 2020 the Town has received \$9,000,000 of the 2019 Stormwater Note proceeds. The remaining \$500,000 is scheduled to be drawn on September 30, 2021 per the loan agreement.

The Town has entered into lease purchase agreements 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 lease purchase agreements. Business-type assets include machinery and equipment of \$724,377 less accumulated depreciation of \$507,191. 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>
2021	\$ 141,653
2022	<u>114,773</u>
Total Minimum Lease Payments	256,426
Less: amount representing interest	<u>(13,037)</u>
Present value of minimum lease payments	<u>\$ 243,389</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

9. LONG-TERM LIABILITIES (continued)

C. Notes and Leases from Direct Borrowings and Placements (continued)

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, 2020 the Town has received \$9,000,000 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 \$9,500,000 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
2021	\$ -	\$ 172,800	\$ 172,800
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	1,030,000	127,200	1,157,200
2026-2030	5,595,000	327,840	5,922,840
	<u>\$ 9,500,000</u>	<u>\$ 1,123,387</u>	<u>\$ 10,623,387</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

9. LONG-TERM LIABILITIES (continued)

C. Notes and Leases from Direct Borrowings and Placements (continued)

Summary of Significant Terms with Finance-Related Consequences

Property which is collateral for any of the Town's debt agreements would be subject to surrender upon significant events of default. Any terms specified in the Town's debt agreements with finance-related consequences related to significant events of default, termination events, and subjective acceleration clauses are noted below:

Business-Type Activities

The Town's outstanding notes related to the Golf Course Equipment Lease contains a provision that in the event of default, the holder of the lease may (A) cancel such lease, (B) require prompt return of the equipment, (C) take possession of and/or render the equipment unusable, and sell, lease or otherwise dispose of the equipment, (D) require the Town to pay, on demand, liquidated damages in an amount equal to the sum of (i) all Payments and other amounts then due and past due under such lease, and (ii) all remaining Payments for the remainder of the then-current fiscal period, and/or (E) exercise any other remedy available to the holder of the lease under law.

The Town's outstanding notes related to the Golf Cart Lease contains a provision that in the event of default, the holder of the lease may (A) cancel such lease, (B) require prompt return of the equipment, (C) take possession of and/or render the equipment unusable, and sell, lease or otherwise dispose of the equipment, (D) require the Town to pay, on demand, liquidated damages in an amount equal to the sum of (i) all Payments and other amounts then due and past due under such lease, and (ii) all remaining Payments for the remainder of the then-current fiscal period, and/or (E) exercise any other remedy available to the holder of the lease under law.

D. Interest Expense

Total interest expense in the amount of \$1,237,504 and \$1,819,428 was charged to governmental type and business type funds, respectively, for the year ended December 31, 2020.



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TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

10. FUND BALANCE

					Non-major Special Revenue Funds							Castle Rock Urban Renewal Authority
					Conservation Trust	Philip S. Miller	Public Art	Police Forfeiture	DDA TIF			
	General	Transportation	Transportation Capital									
Nonspendable	\$ 3,451,699	\$ 74,022	\$ -	\$ -	\$ 1,399	\$ 1,587	\$ -	\$ -	\$ -	\$ -	\$ -	
Prepaid Items	553,359	74,022	-	-	1,399	1,587	-	-	-	-	-	
Loans to other funds (long-term portion)	2,898,340	-	-	-	-	-	-	-	-	-	-	
Restricted	\$ 11,881,852	\$ -	\$ 16,767,729	\$ 463,123	\$ -	\$ -	\$ 22,004	\$ -	\$ -	\$ -	\$ -	
TABOR	2,124,114	-	-	-	-	-	-	-	-	-	-	
Grants earned, not spent	-	-	-	-	-	-	22,004	-	-	-	-	
Impact Fees	-	-	16,767,729	-	-	-	-	-	-	-	-	
Lottery Funds	-	-	-	463,123	-	-	-	-	-	-	-	
Unspent Debt Proceeds	9,757,738	-	-	-	-	-	-	-	-	-	-	
Committed	\$ 7,475,925	\$ 14,792,983	\$ -	\$ 360,137	\$ 254,457	\$ 38,742	\$ -	\$ 808,824	\$ -	\$ -	\$ -	
Council designation of revenue sources	-	14,792,983	-	360,137	254,457	38,742	-	808,824	-	-	-	
Contractual Obligations	410,929	-	-	-	-	-	-	-	-	-	-	
Economic Development	5,657,336	-	-	-	-	-	-	-	-	-	-	
Parking Fund	1,407,660	-	-	-	-	-	-	-	-	-	-	
Assigned	\$ 3,077,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Project Carryforward	3,077,600	-	-	-	-	-	-	-	-	-	-	
Unassigned	\$ 21,102,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (23,203)	\$ (23,203)	
Cash reserve policy	12,088,021	-	-	-	-	-	-	-	-	-	-	
Unappropriated	9,014,095	-	-	-	-	-	-	-	-	-	(23,203)	
Total Fund Balance	\$ 46,989,192	\$ 14,867,005	\$ 16,767,729	\$ 824,659	\$ 256,044	\$ 38,742	\$ 22,004	\$ 808,824	\$ (23,203)	\$ (23,203)	\$ (23,203)	

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

10. FUND BALANCE (continued)

Non-major Capital Project Funds								
Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long-Term Planning	Total Other Governmental Funds	Total Governmental Funds		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,986	\$ 3,528,707		
-	-	-	-	-	2,986	630,367		
-	-	-	-	-	-	2,898,340		
\$ 8,215,713	\$ 1,163,654	\$ -	\$ -	\$ -	\$ 9,864,494	\$ 38,514,075		
-	-	-	-	-	-	2,124,114		
-	-	-	-	-	22,004	22,004		
8,215,713	1,163,654	-	-	-	9,379,367	26,147,096		
-	-	-	-	-	463,123	463,123		
-	-	-	-	-	-	9,757,738		
\$ -	\$ 20,037	\$ -	\$ -	\$ 4,849,955	\$ 6,332,152	\$ 28,601,060		
-	20,037	-	-	4,849,955	6,332,152	21,125,135		
-	-	-	-	-	-	410,929		
-	-	-	-	-	-	5,657,336		
-	-	-	-	-	-	1,407,660		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,077,600		
-	-	-	-	-	-	3,077,600		
\$ -	\$ -	\$ (273,691)	\$ (633,136)	\$ -	\$ (930,030)	\$ 20,172,086		
-	-	-	-	-	-	12,088,021		
-	-	(273,691)	(633,136)	-	(930,030)	8,084,065		
\$ 8,215,713	\$ 1,183,691	\$ (273,691)	\$ (633,136)	\$ 4,849,955	\$ 15,269,602	\$ 93,893,528		

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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 (SWDB). 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	\$ 550,949	\$ 4,102,674	\$ 928,285	\$ 534,714
Volunteer Firefighter	(203,737)	20,440	29,745	29,819
Totals	\$ 347,212	\$ 4,123,114	\$ 958,030	\$ 564,533

All plans are administered by outside trustees and, except for the Volunteer Fire Pension Plan, 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 2020, 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, 2020

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 2020 were \$1,938,933. Town employees' mandatory contributions for 2020 were \$1,066,634.

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, 2020 were \$37,739, 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 2020, 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 2020 were \$666,651. Town employees' mandatory contributions for 2020 were \$434,099.

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, 2020

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.

(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 annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

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' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

11. PENSION PLANS (continued)

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

(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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Members of the SWDB plan and their employers are contributing at the rate of 11.0% and 8%, respectively, of base salary for the total contribution rate of 19.0% in 2020. 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, 2020 was \$713,149, equal to the required contribution for the year.

(d) Pension Asset

At December 31, 2020, the Town reported an asset of \$550,949 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset was determined based upon the January 1, 2020 actuarial valuation, which is unchanged from December 31, 2019

The Town's proportion of the net pension asset 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, 2019, was 0.974%, which was a decrease of 1.13% from its proportion measured as of December 31, 2018.

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

For the year ended December 31, 2020, the Town recognized pension expense for the SWDB of \$534,714. At December 31, 2020, 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	\$ 1,864,512	\$ 10,784
Changes in assumptions	1,046,135	-
Net difference between projected and actual investment earnings	-	866,105
Changes in proportion and differences between Town contributions and proportionate share of contributions	478,878	51,396
Town contributions subsequent to the measurement date	713,149	-
Total	<u>\$ 4,102,674</u>	<u>\$ 928,285</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

11. PENSION PLANS (continued)

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

The \$713,149 reported as deferred outflows of resources related to Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2021. 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
2021	\$ 242,531
2022	167,524
2023	449,287
2024	83,820
2025	458,027
Thereafter	1,060,051
Total	<u>\$ 2,461,240</u>

(f) Actuarial Assumptions

The January 1, 2020 actuarial valuation, based on the most recent actuarial study completed in 2019, 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.

No changes in Assumptions. At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2019) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	2%	2.52%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Equity Long/Short	8%	6.00%
Global Equity	38%	7.00%
Private Markets	25%	9.20%
Total	<u>100%</u>	

(g) Discount Rate

A discount rate of 7.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this discount rate assumed contributions from participating employers will be made based on statutorily required rates and that 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, 2020

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 percent, 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)	\$ 3,340,523	\$ (550,949)	\$ (3,778,410)

(h) Pension Plan Fiduciary Net Position

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

(i) Changes Between the Measurement Date of the Net Pension Asset and December 31, 2021

Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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. 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, 2020, the Town and State contributions were \$20,440 and \$17,635 respectively. The 2020 State contribution of \$17,635 was received in January 2021 and will be reported in the appropriate year.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

11. PENSION PLANS (continued)

E. Volunteer Firefighters' Pension Plan (continued)

(c) Members Covered by Benefit Terms

Membership covered by benefit terms at December 31, 2020:

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

(d) Pension Liability

At December 31, 2020, the Town reported a net pension liability of \$203,737. The net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2019 actuarial valuation. The liability was rolled forward from January 1, 2019 to December 31, 2019 using Standard Actuarial Methods.

(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	Pre-retirement: 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. Post-retirement: 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. Disabled: 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.

No changes in assumptions.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Expected Rate of Return
Cash	2.0%	2.52%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Equity Long/Short	8.0%	6.00%
Global Equity	38.0%	7.00%
Private Markets	25.0%	9.20%
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, 2020

11. PENSION PLANS (continued)

E. Volunteer Firefighters' Pension Plan (continued)

(g) Changes in Net Pension Liability

Total Pension Liability	
Service Cost	\$ 1,095
Interest on the Total Pension Liability	78,496
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	-
Changes in assumptions	-
Benefit Payments	(112,590)
Net Change in Total Pension Liability (Asset)	<u>(32,999)</u>
Total Pension Liability - Beginning	<u>1,176,179</u>
Total Pension Liability - Ending	<u>\$ 1,143,180</u>
 Plan Fiduciary Net Pension	
Employer Contribution	\$ 20,440
Net Investment Income	124,499
Benefit Payments	(112,590)
Pension Plan Administrative Expenses	(6,857)
State of Colorado Supplemental Discretionary Payment	-
Net Change in Plan Fiduciary Net Pension	<u>25,492</u>
Plan Fiduciary Net Position – Beginning (Market value of assets at beginning of year)	<u>913,951</u>
Plan Fiduciary Net Position – Ending (Market value of assets at end of year)	<u>\$ 939,443</u>
Net Pension Liability	<u>\$ 203,737</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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	\$ 311,539	\$ 203,737	\$ 112,286

(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

(i) Pension Expense

For the year ended December 31, 2020, the Town recognized pension expense of \$29,819.

(j) Pension Deferred Outflows/Inflows of Resources

At December 31, 2020, 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	\$ -	\$ 29,745
Town contributions subsequent to the measurement date	20,440	-
Total	\$ 20,440	\$ 29,745

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2021.

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>
2021	\$ (7,123)
2022	(11,212)
2023	1,375
2024	(12,785)
Total	<u>\$ (29,745)</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, 2020, the Town contributions were \$256,564.

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, 2020

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 self-insure 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>2020</u>	<u>2019</u>
Claims payable, January 1	\$ 608,771	\$ 623,377
Incurred claims	6,186,925	7,066,019
Claims paid	<u>(6,144,580)</u>	<u>(7,080,625)</u>
Claims payable, December 31	<u>\$ 651,116</u>	<u>\$ 608,771</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 2020, 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, 2020

14. COMMITMENTS AND CONTINGENCIES

Committed Construction

As of December 31, 2020, the Town had unexpended construction related commitments of \$50,131,893.

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 \$2,124,114 as of December 31, 2020. 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, 2020

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
GOVERNMENTAL FUNDS			
General			
DDA TIF	Advance for loan payoff that partially funded the Festival	\$ 612,303	\$ -
Police Capital	Impact fees - reimburse General Fund for growth related construction	705,928	-
Police Capital	Advance for Public Safety Training Facility	196,298	-
Fire Capital	Advance for Crystal Valley Fire Station	1,482,063	-
Water Resources	Advance for Metzler Park turf replacement	-	1,113,665
Golf	Advance for debt service reserve	500,815	-
Economic Development			
Urban Renewal Authority	Advance for operating costs	51,072	-
Total General Fund		3,548,479	1,113,665

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

15. INTERFUND TRANSACTIONS (continued)

INTERFUND LOANS (continued)

REPORTING FUND

Fund loan from / to	Purpose	Receivable	Payable
Other Governmental Funds			
DDA TIF			
General	Advance for loan payoff that partially funded the Festival Park improvement project	-	612,303
Facilities Capital			
Police Capital	Advance for Police Department basement renovation	176,895	-
Fire Capital			
General	Advance for Crystal Valley Fire Station	-	1,482,063
Police Capital			
General	Impact fees - reimburse General Fund for growth related const	-	705,928
General	Advance for Public Safety Training Facility	-	196,298
Facilities Capital	Advance for Police Department basement renovation	-	176,895
Total Police Capital Fund		-	1,079,121
Urban Renewal Authority			
Economic Development	Advance for operating costs	-	51,072
Total Other Governmental Funds		176,895	3,224,559
Total Governmental Funds		3,725,374	4,338,224
ENTERPRISE FUNDS			
Water Resources			
General	Advance for Metzler Park turf replacement	1,113,665	-
Golf			
General	Advance for debt service reserve	-	500,815
Total Enterprise Funds		1,113,665	500,815
Total All Funds		\$ 4,839,039	\$ 4,839,039

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS	
<u>REPORTING FUND</u>			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
GOVERNMENTAL FUNDS			
General			
Transportation	Funding for trail improvements	\$ 607,754	\$ -
Philip S. Miller	Funding for special events	-	175,000
Municipal Facilities Capital	Interfund loan interest	1,644	-
Fire Capital	Interfund loan interest	40,912	-
Police Capital	Interfund loan interest	15,706	-
General Long Term Planning	Funding for replacement of Fire Department equipment	-	1,003,743
Golf	Interfund loan interest	7,512	-
Parking	Funding for debt payments on Parking Fund COPs	-	1,500,000
Water Resources	Funding for Metzler Park turf replacement	-	60,395
Water Resources	Interfund loan interest	-	19,024
Fleet	Purchase of new vehicles	-	3,500
DDA TIF	Interfund loan interest	29,220	-
Economic Development			
Stormwater	Funding for Stormwater Management Facility Upgrades	-	100,000
Parking			
General	Funding for debt payments on Parking Fund COPs	1,500,000	-
Stormwater	Funding for Stormwater Management Facility Upgrades	-	93,000
Total General Fund		2,202,748	2,954,662
Transportation			
General	Funding for trail improvements	-	607,754
Total Transportation Fund		-	607,754
Other Governmental Funds			
PS Miller			
General Fund	Funding for special events	175,000	-
DDA TIF			
General	Interfund loan interest	-	29,220
Municipal Facilities Capital			
General	Interfund loan interest	-	1,644
Police Capital	Interfund loan interest	3,010	-
Fire Capital			
General	Interfund loan interest	-	40,912
Police Capital			
General	Interfund loan interest	-	15,706
Municipal Facilities Capital	Interfund loan interest	-	3,010
Fleet	Purchase of new vehicles	-	119,497
General Long Term Planning			
General	Funding for replacement of Fire Department equipment	1,003,743	-
Total Other Governmental Funds		1,181,753	209,989

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS (continued)	
REPORTING FUND			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
ENTERPRISE FUNDS			
Water			
Water Resources	Funding to offset operational expenses	-	1,796,678
Fleet	Purchase of new vehicles	-	77,250
Total Water Fund		-	1,873,928
Water Resources			
Water	Funding to offset operational expenses	1,796,678	-
General Fund	Funding for Metzler Park turf replacement	60,395	-
General Fund	Interfund loan interest	19,024	-
Total Water Resources Fund		1,876,097	-
Stormwater			
Economic Development	Funding for Stormwater Management Facility Upgrades	100,000	-
Parking	Funding for Stormwater Management Facility Upgrades	93,000	-
Total Stormwater Fund		193,000	-
Golf			
General	Interfund loan interest	-	7,512
Community Center	Funding for youth golf program	80,000	-
Total Golf Fund		80,000	7,512
Community Center			
Golf	Funding for youth golf program	-	80,000
Total Community Center Fund		-	80,000
INTERNAL SERVICE FUNDS			
Fleet			
General	Purchase of new vehicles	3,500	-
Police Capital	Purchase of new vehicles	119,497	-
Water	Purchase of new vehicles	77,250	-
Total Fleet Fund		200,247	-
	Total All Funds	\$ 5,733,845	\$ 5,733,845

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

15. INTERFUND TRANSACTIONS (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.

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, 2020, the Police Capital Fund had a fund deficit of \$633,136. This will be eliminated with the repayment of the loans from the collection of future development impact fees.

On December 31, 2020, the Fire Capital Fund had a fund deficit of \$273,691. This will be eliminated with the repayment of the loans from the collection of future development impact fees.

On December 31, 2020, CRURA had a fund deficit of \$23,203. 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, 2020, the Town abated approximately \$1,771,000 under this program.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

18. DISCRETELY-PRESENTED COMPONENT UNITS

Castle Rock Downtown Development Authority (CRDDA)

As of December 31, 2020, 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, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Downtown improvements	\$ 112,379	\$ 12,152	\$ -	\$ 124,531
Ice rink site improvements	103,065	-	-	103,065
Ice rink equipment	146,563	-	-	146,563
Total capital assets being depreciated	362,007	12,152	-	374,159
Less accumulated depreciation				
Downtown improvements	(92,140)	(10,268)	-	(102,408)
Ice rink site improvements	(69,026)	(10,306)	-	(79,332)
Ice rink equipment	(85,145)	(14,656)	-	(99,801)
Total accumulated depreciation	(246,311)	(35,230)	-	(281,541)
CRDDA capital assets, net	<u>\$ 115,696</u>	<u>\$ (23,078)</u>	<u>\$ -</u>	<u>\$ 92,618</u>

Miller's Landing Business Improvement District (BID)

As of December 31, 2020, all of the Miller's Landing BID's deposits were insured by FDIC coverage and PDPA collateral.

Capital assets activity for the Miller's Landing BID for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Construction in progress	\$ 12,320,212	111,584	-	\$ 12,431,796
Total capital assets not being depreciated	12,320,212	111,584	-	12,431,796
Miller's Landing BID capital assets, net	<u>\$ 12,320,212</u>	<u>\$ 111,584</u>	<u>\$ -</u>	<u>\$ 12,431,796</u>

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

18. DISCRETELY-PRESENTED COMPONENT UNITS (continued)

Miller's Landing Business Improvement District (BID) (continued)

The following is an analysis of changes in long-term obligations for the Miller's Landing BID for the year ended December 31, 2020:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within One</u> <u>Year</u>
Series 2018A Revenue Bonds-Tax Exempt	\$ 8,065,000	\$ -	\$ -	\$ 8,065,000	\$ -
Series 2018B Revenue Bonds-Taxable	13,185,000	-	-	13,185,000	-
Developer Advances	1,377,523	-	-	1,377,523	-
	<u>\$ 22,627,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,627,523</u>	<u>\$ -</u>

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 2020:

Related Party Transactions

Castle Rock Chamber of Commerce	\$ 99,720
Castle Rock Economic Development Council	210,086
Chatfield Watershed Authority	62,925
Colorado Municipal League	24,483
Denver Regional Council of Governments	16,600
Douglas County Housing Partnership	35,000
Douglas County Youth Initiative	19,800
Downtown Development Authority	178,226
Downtown Merchants Association	75,000
Rueter Hess Recreation Authority	221,000

20. RESTATEMENT OF NET POSITION FOR REPORTING ENTITY CHANGE

Beginning net position of the Town's discretely presented component units was restated by (\$3,568,027) to include the activities of the Miller's Landing Business Improvement District (BID). Since Town Council is responsible for appointing the District's Board of Directors and adopting the District's annual operating plan and budget, the Miller's Landing BID meets the requirement for inclusion as a component unit of the Town. This course of action was taken after an annual review of the component unit analysis by the Town's Finance Department.

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

21. CURRENT ECONOMIC UNCERTAINTIES

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.

22. SUBSEQUENT EVENTS

In March 2021 the Town of Castle Rock's sworn police officers were provided the option to participate in the Fire and Police Pension Association (FPPA) Statewide Defined Benefit Plan. A net pension asset/liability will not be recognized until year ending December 31, 2022 due to FPPA's measurement period having a one-year lag.

As a continuation of their response to COVID-19, the federal government passed legislation that brings economic relief to state and local governments. Under the American Rescue Plan Act, the Town was allocated \$5,703,100 to be used for eligible expenses incurred from March 3, 2021 through December 31, 2024. The first half of the allocation, in the amount of \$2,851,550, was received as an advance by the Town in May 2021.



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SUPPLEMENTARY INFORMATION

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

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,	2019	2018
Total Pension Liability		
Service Cost	\$ 1,095	\$ 2,879
Interest on the Total Pension Liability	78,496	84,888
Benefit Changes	-	-
Difference between Expected and Actual Experience	-	(26,200)
Assumption Changes	-	40,977
Benefit Payments	(112,590)	(111,578)
Net Change in Total Pension Liability	(32,999)	(9,034)
Total Pension Liability - Beginning	1,176,179	1,185,213
Total Pension Liability - Ending (a)	\$ 1,143,180	\$ 1,176,179
Plan Fiduciary Net Position		
Employer Contributions	\$ 20,440	\$ 20,440
Pension Plan Net Investment Income	124,499	689
Benefit Payments	(112,590)	(111,578)
Pension Plan Administrative Expense	(6,857)	(5,163)
State of Colorado supplemental discretionary payment	-	17,635
Net Change in Plan Fiduciary Net Position	25,492	(77,977)
Plan Fiduciary Net Position - Beginning	913,951	991,928
Plan Fiduciary Net Position - Ending (b)	\$ 939,443	\$ 913,951
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 203,737	\$ 262,228
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.18%	77.71%
Covered Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A

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

2017	2016	2015	2014
\$ 2,879	\$ 2,861	\$ 2,861	\$ 3,761
86,346	82,814	84,409	66,823
-	-	-	118,071
-	28,112	-	154,102
-	40,514	-	-
(105,840)	(108,540)	(108,540)	(107,146)
(16,615)	45,761	(21,270)	235,611
1,201,828	1,156,067	1,177,337	941,726
<u>\$ 1,185,213</u>	<u>\$ 1,201,828</u>	<u>\$ 1,156,067</u>	<u>\$ 1,177,337</u>
\$ 20,440	\$ 20,440	\$ 20,440	\$ 20,440
130,343	48,736	18,015	67,171
(105,840)	(108,540)	(108,540)	(107,146)
(5,149)	(1,735)	(3,747)	(1,914)
17,635	17,635	17,635	17,635
57,429	(23,464)	(56,197)	(3,814)
934,499	957,963	1,014,160	1,017,974
<u>\$ 991,928</u>	<u>\$ 934,499</u>	<u>\$ 957,963</u>	<u>\$ 1,014,160</u>
<u>\$ 193,285</u>	<u>\$ 267,329</u>	<u>\$ 198,104</u>	<u>\$ 163,177</u>
83.69%	77.76%	82.86%	86.14%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

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

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)

	2020	2019
Actuarially determined contributions	\$ 25,013	\$ 25,867
Contributions in relation to the actuarially determined contribution *	38,075	20,440
Contribution deficiency (excess)	\$ (13,062)	\$ 5,427
Town's covered payroll	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A

*Includes both employer contributions and State of Colorado Supplemental Discretionary Payment for all years except 2019. For 2019, this includes employer contributions 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, 2019 determines the contribution amounts for 2020 and 2021.

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	0.025
Salary Increases	N/A
Investment Rate of Return	7.0%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: 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 year, 50% multiplier for off-duty mortality. Post-retirement: 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. Disabled: 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.

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

Changes in Assumptions. Effective for the January 1, 2019 valuation the investment rate of return decreased from 7.5% to 7.0% and the mortality tables were updated.

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

2018		2017		2016		2015	
\$	25,867	\$	18,141	\$	18,141	\$	12,770
	38,075		38,075		38,075		38,075
\$	(12,208)	\$	(19,934)	\$	(19,934)	\$	(25,305)
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

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

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 (to be built prospectively)

	*
	<u>2020</u>
Statutorily required contributions	\$ 713,149
Contributions in relation to the statutorily required contribution	713,149
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered payroll	\$ 8,914,365
Contributions as a percentage of covered payroll	8.0%

* The amounts presented as of the current year end, December 31, 2020.

Methods and Assumptions Used to Determine Contribution:

Actuarial valuations done every year. Actuarial assumptions as of January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2019, which represents contributions required in 2020.

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases*	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%
*Includes Inflation at	2.5%

For determining the actuarially determined contributions, 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.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions.

Changes in actuarial assumptions effective for 2019: The real return on investments assumption was reduced from 5.0% to 4.50% while the inflation assumption remained unchanged at 2.50% for a reduced overall nominal investment return of 7.00% from 7.50%. In addition, the productivity component of the salary scale assumption increased from 1.50% to 1.75%; when combined with the 2.50% inflation rate, this creates an ultimate salary scale assumption of 4.25%. For demographic assumptions, the blue collar adjustment was removed from the mortality tables being used and the mortality projection scale was updated from Scale BB to the ultimate rates of the MP-2017 projection scale. In addition, disability rates were increased for members covered by a defined benefit program and retirement rates were slightly modified to reflect increased retirement utilization for low service members and slightly decreased normal retirement rates after age 55.

Changes in actuarial assumptions effective for 2016: The inflation assumption was reduced from 3.0% to 2.5% while the real return on investments was increased to 5.0% from 4.5% for an overall nominal investment return of 7.5% which is unchanged from the prior year. In addition, an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for increasing longevity in the future to reflect current mortality studies and the expected incidence of total disability was increased.

Changes in actuarial assumptions effective for 2014: The married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

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

2019	2018	2017	2016	2015
\$ 574,390	\$ 596,522	\$ 530,936	\$ 505,553	\$ 476,284
574,390	596,522	530,936	505,553	476,284
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,179,869	\$ 7,456,522	\$ 6,636,696	\$ 6,319,413	\$ 5,953,555
8.0%	8.0%	8.0%	8.0%	8.0%

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

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 (to be built prospectively)

	<div style="text-align: center;">*</div> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> 2020 </div> <div style="text-align: center;"> 2019 </div> </div>	
Town's proportion of the net pension liability (asset)	0.974%	1.113%
Town's proportionate share of the net pension liability (asset)	\$ (550,949)	\$ 1,407,329
Town's covered payroll	\$ 7,179,869	\$ 7,456,522
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-7.674%	18.874%
Plan fiduciary net position as a percentage of the total pension liability	101.937%	95.235%

* The amounts presented as of the measurement date, December 31, 2019.

	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%

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

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, 2020

	General Fund			
	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 44,787,001	\$ 44,787,001	\$ 45,882,862	\$ 1,095,861
Charges for services	2,562,273	2,562,273	2,207,948	(354,325)
Management fees	4,308,918	4,308,918	4,308,917	(1)
Licenses and permits	102,535	102,535	145,959	43,424
Fines and forfeitures	422,048	422,048	270,019	(152,029)
Investment earnings	238,391	238,391	412,415	174,024
Intergovernmental	307,650	307,650	3,475,127	3,167,477
Other	444,186	519,186	748,864	229,678
Total revenues	53,173,002	53,248,002	57,452,111	4,204,109
EXPENDITURES				
General government				
Town council	612,586	358,005	335,510	22,495
Town manager	8,474,982	7,863,048	7,407,600	455,448
Town attorney	910,939	906,457	867,111	39,346
Finance	2,848,906	2,809,463	2,757,613	51,850
Municipal court	435,439	379,150	330,212	48,938
Non-departmental	1,055,244	4,271,737	2,632,158	1,639,579
Long-range planning	647,968	289,156	284,793	4,363
Total general government	14,986,064	16,877,016	14,614,997	2,262,019
Public Safety				
Police	16,192,178	15,206,468	14,782,309	424,159
Fire	16,731,244	15,003,615	14,677,258	326,357
Total public safety	32,923,422	30,210,083	29,459,567	750,516
Culture and recreation				
Parks and open space	4,893,365	4,289,162	4,103,913	185,249
Total culture and recreation	4,893,365	4,289,162	4,103,913	185,249
Capital outlay	370,202	4,411,630	1,827,051	2,584,579
Debt Service				
Debt issue costs	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	53,173,053	55,787,891	50,005,528	5,782,363
Excess (deficiency) of revenues over (under) expenditures	(51)	(2,539,889)	7,446,583	9,986,472
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	1,014,145	1,918,497	2,289,481	370,984
Interfund loan interest	113,149	113,149	94,994	(18,155)
Issuance of debt	-	-	-	-
Issuance of COP - premium	-	-	-	-
Transfers in	607,754	656,964	607,754	(49,210)
Interfund loan principal	-	(94,186)	(154,582)	(60,396)
Interfund loan interest	-	(19,024)	(19,024)	-
Transfers out	(1,192,049)	(2,604,549)	(2,742,638)	(138,089)
Total other financing sources (uses)	542,999	(29,149)	75,985	105,134
Net change in funds available	542,948	(2,569,038)	7,522,568	10,091,606
Funds available - January 1	16,205,485	20,209,076	20,209,076	-
Funds available - December 31	\$ 16,748,433	\$ 17,640,038	\$ 27,731,644	\$ 10,091,606
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Advance to other funds			196,298	
Loans to other funds			3,301,109	
Loans from other funds			(1,113,665)	
Fund balance - December 31			\$ 30,115,386	

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

Economic Development				Parking			
Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 676,238	\$ 676,238	\$ 1,881,788	\$ 1,205,550	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,279	28,279	140,583	112,304	-	-	661	661
-	-	61,031	61,031	-	-	-	-
-	-	-	-	-	-	-	-
704,517	704,517	2,083,402	1,378,885	-	-	661	661
-	-	-	-	-	-	-	-
1,848,248	3,772,647	1,094,197	2,678,450	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,848,248	3,772,647	1,094,197	2,678,450	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	295,865	194,979	100,886
-	-	-	-	-	295,865	194,979	100,886
1,848,248	3,772,647	1,094,197	2,678,450	-	295,865	194,979	100,886
(1,143,731)	(3,068,130)	989,205	4,057,335	-	(295,865)	(194,318)	101,547
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	8,578,149	8,485,000	(93,149)
-	-	-	-	-	1,467,716	1,467,716	-
-	-	-	-	-	1,500,000	1,500,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(100,000)	(100,000)	-	-	(93,000)	(93,000)
-	-	(100,000)	(100,000)	-	11,545,865	11,359,716	(186,149)
(1,143,731)	(3,068,130)	889,205	3,957,335	-	11,250,000	11,165,398	(84,602)
2,143,731	4,768,131	4,768,131	-	-	-	-	-
\$ 1,000,000	\$ 1,700,001	\$ 5,657,336	\$ 3,957,335	\$ -	\$ 11,250,000	\$ 11,165,398	\$ (84,602)
		-	-			-	-
		51,072	-			-	-
		-	-			-	-
		\$ 5,708,408				\$ 11,165,398	

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

TOWN OF CASTLE ROCK, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE (CONTINUED)

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Total General Fund			
	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 45,463,239	\$ 45,463,239	\$ 47,764,650	\$ 2,301,411
Charges for services	2,562,273	2,562,273	2,207,948	(354,325)
Management fees	4,308,918	4,308,918	4,308,917	(1)
Licenses and permits	102,535	102,535	145,959	43,424
Fines and forfeitures	422,048	422,048	270,019	(152,029)
Investment earnings	266,670	266,670	553,659	286,989
Intergovernmental	307,650	307,650	3,536,158	3,228,508
Other	444,186	519,186	748,864	229,678
Total revenues	53,877,519	53,952,519	59,536,174	5,583,655
EXPENDITURES				
General government				
Town council	612,586	358,005	335,510	22,495
Town manager	10,323,230	11,635,695	8,501,797	3,133,898
Town attorney	910,939	906,457	867,111	39,346
Finance	2,848,906	2,809,463	2,757,613	51,850
Municipal court	435,439	379,150	330,212	48,938
Non-departmental	1,055,244	4,271,737	2,632,158	1,639,579
Long-range planning	647,968	289,156	284,793	4,363
Total general government	16,834,312	20,649,663	15,709,194	4,940,469
Public Safety				
Police	16,192,178	15,206,468	14,782,309	424,159
Fire	16,731,244	15,003,615	14,677,258	326,357
Total public safety	32,923,422	30,210,083	29,459,567	750,516
Culture and recreation				
Parks and open space	4,893,365	4,289,162	4,103,913	185,249
Total culture and recreation	4,893,365	4,289,162	4,103,913	185,249
Capital outlay	370,202	4,411,630	1,827,051	2,584,579
Debt Service				
Debt issue costs	-	295,865	194,979	100,886
Total debt service	-	295,865	194,979	100,886
Total expenditures	55,021,301	59,856,403	51,294,704	8,561,699
Excess (deficiency) of revenues over (under) expenditures	(1,143,782)	(5,903,884)	8,241,470	14,145,354
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	1,014,145	1,918,497	2,289,481	370,984
Interfund loan interest	113,149	113,149	94,994	(18,155)
Issuance of debt	-	8,578,149	8,485,000	(93,149)
Issuance of COP - premium	-	1,467,716	1,467,716	-
Transfers in	607,754	2,156,964	2,107,754	(49,210)
Interfund loan principal	-	(94,186)	(154,582)	(60,396)
Interfund loan interest	-	(19,024)	(19,024)	-
Transfers out	(1,192,049)	(2,604,549)	(2,935,638)	(331,089)
Total other financing sources (uses)	542,999	11,516,716	11,335,701	(181,015)
Net change in funds available	(600,783)	5,612,832	19,577,171	13,964,339
Funds available - January 1	18,349,216	24,977,207	24,977,207	-
Funds available - December 31	\$ 17,748,433	\$ 30,590,039	\$ 44,554,378	\$ 13,964,339
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Advance to other funds			196,298	
Loans to other funds			3,352,181	
Loans from other funds			(1,113,665)	
Fund balance - December 31			\$ 46,989,192	

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

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 12,523,570	\$ 12,523,570	\$ 13,077,347	\$ 553,777
Building use taxes	2,432,757	2,432,757	3,507,004	1,074,247
Vehicle use taxes	2,398,204	2,398,204	2,214,112	(184,092)
Charges for services	-	-	118	118
Investment earnings	73,378	73,378	168,803	95,425
Intergovernmental	7,590,947	7,770,947	7,447,683	(323,264)
Other	157,050	157,050	188,131	31,081
Total revenues	25,175,906	25,355,906	26,603,198	1,247,292
EXPENDITURES				
Administration	486,410	3,699,212	370,141	3,329,071
Street operations	8,297,025	8,231,560	7,925,827	305,733
Traffic operations	3,752,629	3,771,785	3,155,283	616,502
Public transit	92,536	92,536	68,437	24,099
Engineering	1,971,363	1,944,338	1,457,286	487,052
Street improvement program	6,780,000	5,621,347	4,619,306	1,002,041
Total public works	21,379,963	23,360,778	17,596,280	5,764,498
Capital outlay	4,357,300	5,305,636	1,069,323	4,236,313
DEBT SERVICE				
Principal	635,000	635,000	635,000	-
Interest	267,325	267,325	267,325	-
Agency fees	-	-	300	(300)
Total debt service	902,325	902,325	902,625	(300)
Total expenditures	26,639,588	29,568,739	19,568,228	10,000,511
Excess (deficiency) of revenues over (under) expenditures	(1,463,682)	(4,212,833)	7,034,970	11,247,803
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,107,754)	(607,754)	(607,754)	-
Total other financing sources (uses)	(2,107,754)	(607,754)	(607,754)	-
Net change in funds available	(3,571,436)	(4,820,587)	6,427,216	11,247,803
Funds available - January 1	5,707,922	8,439,789	8,439,789	-
Funds available - December 31	\$ 2,136,486	\$ 3,619,202	\$ 14,867,005	\$ 11,247,803

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

TOWN OF CASTLE ROCK, COLORADO

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2020

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.

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. There are two sub-funds of the General Fund: Economic Development and Parking. Economic Development is used to facilitate expansion of the tax base, through primary job creation and improved local economy. Parking is used to account for public parking garage maintenance and debt payments related to the Encore Redevelopment Agreement.

TOWN OF CASTLE ROCK, COLORADO

GENERAL FUND

COMBINING BALANCE SHEET

DECEMBER 31, 2020

	General Fund	Economic Development Fund	Parking Fund	Total General Funds
ASSETS				
Cash and cash equivalents	\$ 13,093,644	\$ 1,135,912	\$ 1,407,660	\$ 15,637,216
Investments	11,884,912	4,314,192	-	16,199,104
Restricted cash and investments	-	800,000	9,757,738	10,557,738
Receivables				
Property taxes	1,405,352	-	-	1,405,352
Sales taxes	5,256,903	-	-	5,256,903
Accounts, net of allowance of \$252,779	3,448,654	228,868	-	3,677,522
Prepaid items	553,359	-	-	553,359
Advance to other funds	196,298	-	-	196,298
Loans to other funds	3,301,109	51,072	-	3,352,181
Total assets	<u>\$ 39,140,231</u>	<u>\$ 6,530,044</u>	<u>\$ 11,165,398</u>	<u>\$ 56,835,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,023,833	\$ 21,636	\$ -	\$ 2,045,469
Accounts payable from restricted assets	-	800,000	-	800,000
Deposits	3,080,710	-	-	3,080,710
Unearned revenues	1,103,207	-	-	1,103,207
Loans from other funds	1,113,665	-	-	1,113,665
Total liabilities	<u>7,321,415</u>	<u>821,636</u>	<u>-</u>	<u>8,143,051</u>
Deferred inflows of resources				
Property taxes	1,405,352	-	-	1,405,352
Sales taxes	293,578	-	-	293,578
Unavailable fund resources	4,500	-	-	4,500
Total liabilities and deferred inflows of resources	<u>9,024,845</u>	<u>821,636</u>	<u>-</u>	<u>9,846,481</u>
Fund balances (deficits)				
Nonspendable	3,400,627	51,072	-	3,451,699
Restricted	2,124,114	-	9,757,738	11,881,852
Committed	410,929	5,657,336	1,407,660	7,475,925
Assigned	3,077,600	-	-	3,077,600
Unassigned	21,102,116	-	-	21,102,116
Total fund balances	<u>30,115,386</u>	<u>5,708,408</u>	<u>11,165,398</u>	<u>46,989,192</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,140,231</u>	<u>\$ 6,530,044</u>	<u>\$ 11,165,398</u>	<u>\$ 56,835,673</u>

TOWN OF CASTLE ROCK, COLORADO

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Economic Development Fund	Parking Fund	Total General Funds
REVENUES				
Taxes				
Property	\$ 1,332,644	\$ -	\$ -	\$ 1,332,644
Sales	37,579,999	-	-	37,579,999
Use	-	1,881,788	-	1,881,788
Motor vehicle	4,082,645	-	-	4,082,645
Other taxes	2,887,574	-	-	2,887,574
Charges for services	2,207,948	-	-	2,207,948
Management fees	4,308,917	-	-	4,308,917
Licenses and permits	145,959	-	-	145,959
Fines and forfeitures	270,019	-	-	270,019
Investment earnings	412,415	140,583	661	553,659
Intergovernmental	3,475,127	61,031	-	3,536,158
Contributions and donations	81,969	-	-	81,969
Other	666,895	-	-	666,895
Total revenues	57,452,111	2,083,402	661	59,536,174
EXPENDITURES				
Current				
General government	14,614,997	1,094,197	-	15,709,194
Public safety	29,459,567	-	-	29,459,567
Culture and recreation	4,103,913	-	-	4,103,913
Capital outlay	1,827,051	-	-	1,827,051
Debt service				
Debt issue costs	-	-	194,979	194,979
Total expenditures	50,005,528	1,094,197	194,979	51,294,704
Excess (deficiency) of revenues over (under) expenditures	7,446,583	989,205	(194,318)	8,241,470
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	8,485,000	8,485,000
Issuance of COP - premium	-	-	1,467,716	1,467,716
Transfers in	702,748	-	1,500,000	2,202,748
Transfers out	(2,761,662)	(100,000)	(93,000)	(2,954,662)
Total other financing sources (uses)	(2,058,914)	(100,000)	11,359,716	9,200,802
Net change in fund balance	5,387,669	889,205	11,165,398	17,442,272
Fund balances - January 1	24,727,717	4,819,203	-	29,546,920
Fund balances - December 31	\$ 30,115,386	\$ 5,708,408	\$ 11,165,398	\$ 46,989,192

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, 2020

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,612,126	\$ 11,409,677	\$ 15,021,803
Investments	49,500	4,584,073	4,633,573
Cash held in escrow	4,166,457	-	4,166,457
Accounts receivable	7,149	15,987	23,136
Prepaid items	2,986	-	2,986
Loans to other funds	-	176,895	176,895
Total assets	<u>\$ 7,838,218</u>	<u>\$ 16,186,632</u>	<u>\$ 24,024,850</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 98,457	\$ 282,916	\$ 381,373
Retainage payable	10,203	-	10,203
Due to component unit	150,329	-	150,329
Line of credit	782,327	-	782,327
Unearned revenues	4,206,457	-	4,206,457
Advance from other funds	-	196,298	196,298
Loans from other funds	663,375	2,364,886	3,028,261
Total liabilities	<u>5,911,148</u>	<u>2,844,100</u>	<u>8,755,248</u>
Fund balances (deficits)			
Nonspendable	2,986	-	2,986
Restricted	485,127	9,379,367	9,864,494
Committed	1,462,160	4,869,992	6,332,152
Unassigned	(23,203)	(906,827)	(930,030)
Total fund balances (deficits)	<u>1,927,070</u>	<u>13,342,532</u>	<u>15,269,602</u>
Total liabilities and fund balances	<u>\$ 7,838,218</u>	<u>\$ 16,186,632</u>	<u>\$ 24,024,850</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, 2020

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
REVENUES			
Taxes	\$ 1,827,009	\$ 2,063,853	\$ 3,890,862
Charges for services	60,269	-	60,269
Development impact fees	-	9,416,518	9,416,518
Licenses and permits	118,733	-	118,733
Investment earnings	3,901	155,237	159,138
Intergovernmental	541,705	62,034	603,739
Contributions and donations	313,085	-	313,085
Other	3,966	669	4,635
Total revenues	2,868,668	11,698,311	14,566,979
EXPENDITURES			
General government	1,939,900	501,175	2,441,075
Public safety	-	716	716
Culture and recreation	778,108	125,132	903,240
Capital Outlay	389,529	602,083	991,612
Debt Service			
Principal	-	385,000	385,000
Interest	-	323,813	323,813
Agency fees	-	2,000	2,000
Total expenditures	3,107,537	1,939,919	5,047,456
Excess (deficiency) of revenues over (under) expenditures	(238,869)	9,758,392	9,519,523
OTHER FINANCING SOURCES (USES)			
Transfers in	175,000	1,006,753	1,181,753
Transfers out	(29,220)	(180,769)	(209,989)
Total other financing sources (uses)	145,780	825,984	971,764
Net change in funds available	(93,089)	10,584,376	10,491,287
Fund balances - January 1	2,020,159	2,758,156	4,778,315
Fund balances - December 31	\$ 1,927,070	\$ 13,342,532	\$ 15,269,602

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 (CRURA) facilitates investment and redevelopment of blighted areas within the Town of Castle Rock. CRURA is a blended component unit.



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TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2020

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
ASSETS				
Cash and cash equivalents	\$ 893,771	\$ 256,607	\$ 63,865	\$ 22,004
Investments	5,373	24,356	19,771	-
Cash held in escrow	4,166,457	-	-	-
Accounts receivable	986	328	62	-
Prepaid items	1,399	1,587	-	-
Total assets	<u>\$ 5,067,986</u>	<u>\$ 282,878</u>	<u>\$ 83,698</u>	<u>\$ 22,004</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 66,667	\$ 26,834	\$ 4,956	\$ -
Retainage payable	10,203	-	-	-
Due to component unit	-	-	-	-
Line of credit	-	-	-	-
Unearned revenues	4,166,457	-	40,000	-
Loans from other funds	-	-	-	-
Total liabilities	<u>4,243,327</u>	<u>26,834</u>	<u>44,956</u>	<u>-</u>
Fund balances				
Nonspendable	1,399	1,587	-	-
Restricted	463,123	-	-	22,004
Committed	360,137	254,457	38,742	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>824,659</u>	<u>256,044</u>	<u>38,742</u>	<u>22,004</u>
Total liabilities and fund balances	<u>\$ 5,067,986</u>	<u>\$ 282,878</u>	<u>\$ 83,698</u>	<u>\$ 22,004</u>

Downtown Development Authority TIF	Castle Rock Urban Renewal Authority	Total Non-major Special Revenue Funds
\$ 2,197,681	\$ 178,198	\$ 3,612,126
-	-	49,500
-	-	4,166,457
5,773	-	7,149
-	-	2,986
<u>\$ 2,203,454</u>	<u>\$ 178,198</u>	<u>\$ 7,838,218</u>

\$ -	\$ -	\$ 98,457
-	-	10,203
-	150,329	150,329
782,327	-	782,327
-	-	4,206,457
<u>612,303</u>	<u>51,072</u>	<u>663,375</u>
<u>1,394,630</u>	<u>201,401</u>	<u>5,911,148</u>

-	-	2,986
-	-	485,127
808,824	-	1,462,160
-	(23,203)	(23,203)
<u>808,824</u>	<u>(23,203)</u>	<u>1,927,070</u>
<u>\$ 2,203,454</u>	<u>\$ 178,198</u>	<u>\$ 7,838,218</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, 2020

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
REVENUES				
Licenses and permits	\$ 118,733	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Charges for services	-	60,269	-	-
Investment earnings	1,635	1,248	869	149
Intergovernmental	541,538	167	-	-
Contributions and donations	-	287,195	25,890	-
Other	-	384	7	-
Total revenues	661,906	349,263	26,766	149
EXPENDITURES				
General government	-	-	-	-
Culture and recreation	190,892	573,053	14,163	-
Capital outlay	389,529	-	-	-
Total expenditures	580,421	573,053	14,163	-
Excess (deficiency) of revenues over (under) expenditures	81,485	(223,790)	12,603	149
OTHER FINANCING SOURCES (USES)				
Transfers in	-	175,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	175,000	-	-
Net change in funds available	81,485	(48,790)	12,603	149
Fund balance - January 1	743,174	304,834	26,139	21,855
Fund balances (deficits) - December 31	\$ 824,659	\$ 256,044	\$ 38,742	\$ 22,004

Downtown Development Authority TIF	Castle Rock Urban Renewal Authority	Total Non-major Special Revenue Funds
\$ -	\$ -	\$ 118,733
1,827,009	-	1,827,009
-	-	60,269
-	-	3,901
-	-	541,705
-	-	313,085
3,575	-	3,966
1,830,584	-	2,868,668
1,939,473	427	1,939,900
-	-	778,108
-	-	389,529
1,939,473	427	3,107,537
(108,889)	(427)	(238,869)
-	-	175,000
(29,220)	-	(29,220)
(29,220)	-	145,780
(138,109)	(427)	(93,089)
946,933	(22,776)	2,020,159
\$ 808,824	\$ (23,203)	\$ 1,927,070

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 135,200	\$ 135,200	\$ 118,733	\$ (16,467)
Investment earnings	2,086	2,086	1,635	(451)
Intergovernmental	1,264,168	1,264,168	541,538	(722,630)
Total revenues	1,401,454	1,401,454	661,906	(739,548)
EXPENDITURES				
Culture and recreation	213,499	213,499	190,892	22,607
Capital Outlay	1,150,000	1,700,252	389,529	1,310,723
Total expenditures	1,363,499	1,913,751	580,421	1,333,330
Excess (deficiency) of revenues over (under) expenditures	37,955	(512,297)	81,485	593,782
Net change in funds available	37,955	(512,297)	81,485	593,782
Funds available - January 1	395,282	743,174	743,174	-
Funds available - December 31	\$ 433,237	\$ 230,877	\$ 824,659	\$ 593,782

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 218,988	\$ 218,988	\$ 60,269	\$ (158,719)
Investment earnings	1,917	1,917	1,248	(669)
Intergovernmental	-	-	167	167
Contributions and donations	255,000	255,000	287,195	32,195
Other	-	-	384	384
Total revenues	475,905	475,905	349,263	(126,642)
EXPENDITURES				
Culture and recreation	644,791	644,791	573,053	71,738
Total expenditures	644,791	644,791	573,053	71,738
Excess (deficiency) of revenues over (under) expenditures	(168,886)	(168,886)	(223,790)	(54,904)
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	6,114	6,114	(48,790)	(54,904)
Funds available - January 1	210,798	304,834	304,834	-
Funds available - December 31	\$ 216,912	\$ 310,948	\$ 256,044	\$ (54,904)

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,431	\$ 1,431	\$ 869	\$ (562)
Contributions and donations	25,000	25,000	25,890	890
Other	-	-	7	7
Total revenues	26,431	26,431	26,766	335
EXPENDITURES				
Culture and recreation	25,000	25,000	14,163	10,837
Total expenditures	25,000	25,000	14,163	10,837
Excess (deficiency) of revenues over (under) expenditures	1,431	1,431	12,603	11,172
Net change in funds available	1,431	1,431	12,603	11,172
Funds available - January 1	22,166	26,139	26,139	-
Funds available - December 31	<u>\$ 23,597</u>	<u>\$ 27,570</u>	<u>\$ 38,742</u>	<u>\$ 11,172</u>

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 108	\$ 108	\$ 149	\$ 41
Total revenues	108	108	149	41
Excess (deficiency) of revenues over (under) expenditures	108	108	149	41
Net change in funds available	108	108	149	41
Funds available - January 1	21,601	21,855	21,855	-
Funds available - December 31	<u>\$ 21,709</u>	<u>\$ 21,963</u>	<u>\$ 22,004</u>	<u>\$ 41</u>

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,477,641	\$ 1,477,641	\$ 1,827,009	\$ 349,368
Other	45,000	45,000	3,575	(41,425)
Total revenues	1,522,641	1,522,641	1,830,584	307,943
EXPENDITURES				
General government	666,137	666,137	1,939,473	(1,273,336)
Capital outlay	603,099	2,881,746	-	2,881,746
Total expenditures	1,269,236	3,547,883	1,939,473	1,608,410
Excess (deficiency) of revenues over (under) expenditures	253,405	(2,025,242)	(108,889)	1,916,353
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	(240,273)	(240,273)	(753,108)	(512,835)
Interfund loan interest	(46,827)	(46,827)	(29,220)	17,607
Total other financing sources (uses)	(287,100)	(287,100)	(782,328)	(495,228)
Net change in funds available	(33,695)	(2,312,342)	(891,217)	1,421,125
Funds available - January 1	900,000	2,312,343	2,312,343	-
Funds available - December 31	<u>\$ 866,305</u>	<u>\$ 1</u>	<u>\$ 1,421,126</u>	<u>\$ 1,421,125</u>
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(612,303)	
Fund balance - December 31			<u>\$ 808,824</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, 2020

	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	427	59,073
Total operating expenditures	59,500	59,500	427	59,073
Total expenditures	59,500	59,500	427	59,073
Excess (deficiency) of revenues over (under) expenditures	(24,000)	(24,000)	(427)	23,573
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	-	-	(427)	(427)
Funds available - January 1	23,956	28,296	28,296	-
Funds available - December 31	<u>\$ 23,956</u>	<u>\$ 28,296</u>	<u>\$ 27,869</u>	<u>\$ (427)</u>
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(51,072)	
Fund deficit - December 31			<u>\$ (23,203)</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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Building use taxes	\$ 2,192,766	\$ 2,192,766	\$ 2,651,060	\$ 458,294
Development impact fees	6,983,785	6,983,785	12,479,450	5,495,665
Investment earnings	27,293	27,293	247,638	220,345
Intergovernmental	624,000	2,560,731	725,571	(1,835,160)
Other	-	-	19,797	19,797
Total revenues	9,827,844	11,764,575	16,123,516	4,358,941
EXPENDITURES				
Capital Outlay	10,060,000	20,453,887	9,482,749	10,971,138
Total expenditures	10,060,000	20,453,887	9,482,749	10,971,138
DEBT SERVICE				
Principal	510,000	510,000	510,000	-
Interest	842,063	842,063	725,468	116,595
Agency fees	-	-	300	(300)
Debt issue costs	-	199,120	193,532	5,588
Total debt service	1,352,063	1,551,183	1,429,300	121,883
Total expenditures	11,412,063	22,005,070	10,912,049	11,093,021
Excess (deficiency) of revenues over (under) expenditures	(1,584,219)	(10,240,495)	5,211,467	15,451,962
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bond	-	18,941,872	18,550,000	(391,872)
Issuance of refunding bond - discount	-	(16,747)	(16,747)	-
Payment to refunded bonds escrow agent	-	(18,721,273)	(18,452,327)	268,946
Transfers in	1,500,000	1,500,000	-	(1,500,000)
Total other financing sources (uses)	1,500,000	1,703,852	80,926	(1,622,926)
Net change in funds available	(84,219)	(8,536,643)	5,292,393	13,829,036
Funds available - January 1	1,817,661	11,475,336	11,475,336	-
Funds available - December 31	\$ 1,733,442	\$ 2,938,693	\$ 16,767,729	\$ 13,829,036

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



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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 an interfund 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. Certain projects in this fund were financed through an interfund loan from the General Fund.

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, 2020

	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	\$ 6,161,123	\$ 421,501	\$ 278,718	\$ 388,336	\$ 4,159,999	\$ 11,409,677
Investments	2,055,239	583,595	927,277	79,449	938,513	4,584,073
Accounts receivable	5,988	1,700	2,877	231	5,191	15,987
Loans to other funds	-	176,895	-	-	-	176,895
Total assets	<u>\$ 8,222,350</u>	<u>\$ 1,183,691</u>	<u>\$ 1,208,872</u>	<u>\$ 468,016</u>	<u>\$ 5,103,703</u>	<u>\$ 16,186,632</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 6,637	\$ -	\$ 500	\$ 22,031	\$ 253,748	\$ 282,916
Advance from other funds	-	-	-	196,298	-	196,298
Loans from other funds	-	-	1,482,063	882,823	-	2,364,886
Total liabilities	<u>6,637</u>	<u>-</u>	<u>1,482,563</u>	<u>1,101,152</u>	<u>253,748</u>	<u>2,844,100</u>
Fund balances (deficits)						
Restricted	8,215,713	1,163,654	-	-	-	9,379,367
Committed	-	20,037	-	-	4,849,955	4,869,992
Unassigned	-	-	(273,691)	(633,136)	-	(906,827)
Total fund balances (deficits)	<u>8,215,713</u>	<u>1,183,691</u>	<u>(273,691)</u>	<u>(633,136)</u>	<u>4,849,955</u>	<u>13,342,532</u>
Total liabilities and fund balances	<u>\$ 8,222,350</u>	<u>\$ 1,183,691</u>	<u>\$ 1,208,872</u>	<u>\$ 468,016</u>	<u>\$ 5,103,703</u>	<u>\$ 16,186,632</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, 2020

	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long-Term Planning	Total Non-major Capital Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,063,853	\$ 2,063,853
Development impact fees	7,100,597	422,400	1,263,371	630,150	-	9,416,518
Investment earnings	66,133	18,671	34,838	2,918	32,677	155,237
Intergovernmental	-	-	59,840	-	2,194	62,034
Other	-	-	261	-	408	669
Total revenues	7,166,730	441,071	1,358,310	633,068	2,099,132	11,698,311
EXPENDITURES						
General government	-	-	-	-	501,175	501,175
Public safety	-	-	716	-	-	716
Culture and recreation	125,132	-	-	-	-	125,132
Capital outlay	208,083	-	77,379	22,031	294,590	602,083
Debt Service						
Principal	385,000	-	-	-	-	385,000
Interest	323,813	-	-	-	-	323,813
Agency fees	2,000	-	-	-	-	2,000
Total expenditures	1,044,028	-	78,095	22,031	795,765	1,939,919
Excess (deficiency) of revenues over (under) expenditures	6,122,702	441,071	1,280,215	611,037	1,303,367	9,758,392
OTHER FINANCING SOURCES (USES)						
Transfers in	-	3,010	-	-	1,003,743	1,006,753
Transfers out	-	(1,644)	(40,912)	(138,213)	-	(180,769)
Total other financing sources (uses)	-	1,366	(40,912)	(138,213)	1,003,743	825,984
Net change in funds available	6,122,702	442,437	1,239,303	472,824	2,307,110	10,584,376
Fund balances (deficits) - January 1	2,093,011	741,254	(1,512,994)	(1,105,960)	2,542,845	2,758,156
Fund balances (deficits) - December 31	\$ 8,215,713	\$ 1,183,691	\$ (273,691)	\$ (633,136)	\$ 4,849,955	\$ 13,342,532

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Development impact fees	\$ 5,349,031	\$ 5,349,031	\$ 7,100,597	\$ 1,751,566
Investment earnings	25,805	25,805	66,133	40,328
Total revenues	5,374,836	5,374,836	7,166,730	1,791,894
EXPENDITURES				
Culture and recreation	109,800	159,800	125,132	34,668
Capital outlay	4,000,000	4,608,148	208,083	4,400,065
Total expenditures	4,109,800	4,767,948	333,215	4,434,733
DEBT SERVICE				
COP principal	385,000	385,000	385,000	-
COP interest	323,813	323,813	323,813	-
Agency and other fees	2,000	2,000	2,000	-
Total debt service	710,813	710,813	710,813	-
Total expenditures	4,820,613	5,478,761	1,044,028	4,434,733
Excess (deficiency) of revenues over (under) expenditures	554,223	(103,925)	6,122,702	6,226,627
Net change in funds available	554,223	(103,925)	6,122,702	6,226,627
Funds available - January 1	1,031,762	2,093,011	2,093,011	-
Funds available - December 31	\$ 1,585,985	\$ 1,989,086	\$ 8,215,713	\$ 6,226,627

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Development impact fees	\$ 302,811	\$ 302,811	\$ 422,400	\$ 119,589
Investment earnings	23,438	23,438	18,671	(4,767)
Total revenues	326,249	326,249	441,071	114,822
Excess (deficiency) of revenues over (under) expenditures	326,249	326,249	441,071	114,822
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	23,799	23,799	23,799	-
Interfund loan interest	3,010	3,010	3,010	-
Interfund loan principal	(47,989)	(287,989)	(146,138)	141,851
Interfund loan interest	(2,192)	(2,192)	(1,644)	548
Transfers out	(322,596)	(322,596)	-	322,596
Total other financing sources (uses)	(345,968)	(585,968)	(120,973)	464,995
Net change in funds available	(19,719)	(259,719)	320,098	579,817
Funds available - January 1	380,382	686,698	686,698	-
Funds available - December 31	\$ 360,663	\$ 426,979	\$ 1,006,796	\$ 579,817
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans to other funds			176,895	
Fund balance - December 31			\$ 1,183,691	

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Development impact fees	\$ 932,960	\$ 932,960	\$ 1,263,371	\$ 330,411
Investment earnings	51,455	51,455	34,838	(16,617)
Intergovernmental	-	-	59,840	59,840
Other	-	-	261	261
Total revenues	984,415	984,415	1,358,310	373,895
EXPENDITURES				
Public safety	-	-	716	(716)
Capital Outlay	20,000	93,457	77,379	16,078
Total expenditures	20,000	93,457	78,095	15,362
Excess (deficiency) of revenues over (under) expenditures	964,415	890,958	1,280,215	389,257
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	(581,052)	(1,245,404)	(1,245,404)	-
Interfund loan interest	(40,912)	(40,912)	(40,912)	-
Total other financing sources (uses)	(621,964)	(1,286,316)	(1,286,316)	-
Net change in funds available	342,451	(395,358)	(6,101)	389,257
Funds available - January 1	1,014,406	1,214,473	1,214,473	-
Funds available - December 31	\$ 1,356,857	\$ 819,115	\$ 1,208,372	\$ 389,257
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(1,482,063)	
Fund balance - December 31			\$ (273,691)	

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Development impact fees	\$ 456,858	\$ 456,858	\$ 630,150	\$ 173,292
Investment earnings	2,213	2,213	2,918	705
Total revenues	459,071	459,071	633,068	173,997
EXPENDITURES				
Capital outlay	430,128	430,128	22,031	408,097
Total expenditures	430,128	430,128	22,031	408,097
Excess (deficiency) of revenues over (under) expenditures	28,943	28,943	611,037	582,094
OTHER FINANCING SOURCES (USES)				
Transfers in	322,596	322,596	-	(322,596)
Interfund loan principal	(168,630)	(168,630)	(168,630)	-
Interfund loan interest	(18,716)	(18,716)	(18,716)	-
Transfers out	(61,997)	(119,497)	(119,497)	-
Total other financing sources (uses)	73,253	15,753	(306,843)	(322,596)
Net change in funds available	102,196	44,696	304,194	259,498
Funds available - January 1	12,200	141,791	141,791	-
Funds available - December 31	<u>\$ 114,396</u>	<u>\$ 186,487</u>	445,985	<u>\$ 259,498</u>
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(882,823)	
Advance from other funds			(196,298)	
Fund deficit - December 31			<u>\$ (633,136)</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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Building use taxes	\$ 1,702,059	\$ 1,702,059	\$ 2,063,853	\$ 361,794
Investment earnings	25,846	25,846	32,677	6,831
Intergovernmental	-	-	2,194	2,194
Other	-	-	408	408
Total revenues	1,727,905	1,727,905	2,099,132	371,227
EXPENDITURES				
General government	769,026	838,443	501,175	337,268
Capital outlay	1,898,500	2,131,584	294,590	1,836,994
Total expenditures	2,667,526	2,970,027	795,765	2,174,262
Excess (deficiency) of revenues over (under) expenditures	(939,621)	(1,242,122)	1,303,367	2,545,489
OTHER FINANCING SOURCES (USES)				
Transfers in	1,003,743	1,003,743	1,003,743	-
Total other financing sources (uses)	1,003,743	1,003,743	1,003,743	-
Net change in funds available	64,122	(238,379)	2,307,110	2,545,489
Funds available - January 1	1,744,914	2,542,845	2,542,845	-
Funds available - December 31	\$ 1,809,036	\$ 2,304,466	\$ 4,849,955	\$ 2,545,489



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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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 16,270,308	\$ 16,270,308	\$ 17,653,537	\$ 1,383,229
System development fees	3,355,168	3,355,168	3,545,958	190,790
Fines and forfeitures	356,700	356,700	71,361	(285,339)
Investment earnings	133,719	133,719	415,873	282,154
Intergovernmental	350,000	350,000	699,387	349,387
Other	116,207	116,207	1,133,631	1,017,424
Total revenues	20,582,102	20,582,102	23,519,747	2,937,645
OPERATING EXPENDITURES				
Administration	1,715,305	2,520,305	1,824,087	696,218
Operations support	10,045,049	12,215,102	10,143,566	2,071,536
Capital outlay	11,991,326	19,791,188	5,698,989	14,092,199
Total operating expenditures	23,751,680	34,526,595	17,666,642	16,859,953
DEBT SERVICE				
Principal	1,421,800	1,421,800	1,421,800	-
Interest	312,194	312,194	309,077	3,117
Agency fees	400	400	552	(152)
Total debt service	1,734,394	1,734,394	1,731,429	2,965
Total expenditures	25,486,074	36,260,989	19,398,071	16,862,918
Excess (deficiency) of revenues over (under) expenditures	(4,903,972)	(15,678,887)	4,121,676	19,800,563
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	1,593,400	1,593,400
Transfers out	(2,431,890)	(2,431,890)	(1,873,928)	557,962
Total other financing sources (uses)	(2,431,890)	(2,431,890)	(280,528)	2,151,362
Net change in funds available	(7,335,862)	(18,110,777)	3,841,148	21,951,925
Funds available - January 1	16,245,769	21,378,138	21,378,138	-
Funds available - December 31	\$ 8,909,907	\$ 3,267,361	\$ 25,219,286	\$ 21,951,925
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 3,841,148	
Depreciation expense			(6,249,405)	
Capital asset contributions			4,858,089	
Capital outlay			5,698,989	
Principal paid			1,421,800	
Proceeds from sale of capital assets			(1,593,400)	
Loss on disposal of capital assets			(16,234)	
Amortization expense			56,300	
Accrued leave			(146,083)	
Change in net position			\$ 7,871,204	

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 10,078,298	\$ 10,078,298	\$ 10,426,445	\$ 348,147
System development fees	17,059,858	17,059,858	18,940,568	1,880,710
Fines and forfeitures	90,500	90,500	198,842	108,342
Investment earnings	304,137	304,137	1,649,185	1,345,048
Intergovernmental	-	-	239,776	239,776
Other	2,205,939	2,205,939	2,545,653	339,714
Total revenues	29,738,732	29,738,732	34,000,469	4,261,737
OPERATING EXPENDITURES				
Administration	659,223	664,223	620,343	43,880
Operations support	8,799,926	9,343,545	7,502,863	1,840,682
Capital outlay	21,453,510	53,832,545	37,015,835	16,816,710
Total operating expenditures	30,912,659	63,840,313	45,139,041	18,701,272
DEBT SERVICE				
Principal	1,925,000	1,925,000	1,925,000	-
Interest	1,803,975	1,803,975	1,797,558	6,417
Agency and other fees	-	-	300	(300)
Total debt service	3,728,975	3,728,975	3,722,858	6,117
Total expenditures	34,641,634	67,569,288	48,861,899	18,707,389
Excess (deficiency) of revenues over (under) expenditures	(4,902,902)	(37,830,556)	(14,861,430)	22,969,126
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	44,976	94,186	154,582	60,396
Interfund loan interest	19,024	19,024	19,024	-
Transfers in	2,354,640	2,354,640	1,857,073	(497,567)
Transfers out	-	(49,210)	-	49,210
Total other financing sources (uses)	2,418,640	2,418,640	2,030,679	(387,961)
Net change in funds available	(2,484,262)	(35,411,916)	(12,830,751)	22,581,165
Funds available - January 1	23,663,961	56,795,599	56,795,599	-
Funds available - December 31	\$ 21,179,699	\$ 21,383,683	\$ 43,964,848	\$ 22,581,165
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (12,830,751)	
Depreciation expense			(1,374,916)	
Capital asset contributions			874,900	
Capital outlay			37,015,835	
Principal paid			1,925,000	
Interfund loan principal			(154,582)	
Loss on disposal of capital assets			(767)	
Amortization expense			533,353	
Accrued leave			(21,848)	
Change in net position			\$ 25,966,224	

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 3,673,560	\$ 3,673,560	\$ 3,697,567	\$ 24,007
System development fees	1,536,072	1,536,072	1,508,574	(27,498)
Investment earnings	23,675	23,675	106,323	82,648
Intergovernmental	-	-	4,717	4,717
Other	268,105	268,105	83,283	(184,822)
Total revenues	5,501,412	5,501,412	5,400,464	(100,948)
OPERATING EXPENDITURES				
Administration	720,399	725,399	707,072	18,327
Operations support	2,112,016	2,182,016	1,808,526	373,490
Capital outlay	3,504,162	13,967,493	5,305,190	8,662,303
Total operating expenditures	6,336,577	16,874,908	7,820,788	9,054,120
DEBT SERVICE				
Interest	-	-	107,440	(107,440)
Total debt service	-	-	107,440	(107,440)
Total expenditures	6,336,577	16,874,908	7,928,228	8,946,680
Excess (deficiency) of revenues over (under) expenditures	(835,165)	(11,373,496)	(2,527,764)	8,845,732
OTHER FINANCING SOURCES (USES)				
Notes payable proceeds	-	4,500,000	4,500,000	-
Transfers in	-	-	193,000	193,000
Total other financing sources (uses)	-	4,500,000	4,693,000	193,000
Net change in funds available	(835,165)	(6,873,496)	2,165,236	9,038,732
Funds available - January 1	4,036,192	12,955,691	12,955,691	-
Funds available - December 31	\$ 3,201,027	\$ 6,082,195	\$ 15,120,927	\$ 9,038,732
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 2,165,236	
Depreciation expense			(2,127,127)	
Capital asset contributions			7,511,755	
Capital outlay			5,305,190	
Notes payable proceeds			(4,500,000)	
Loss on disposal of capital assets			(405)	
Accrued leave			(20,711)	
Change in net position			\$ 8,333,938	

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 11,302,090	\$ 11,302,090	\$ 11,147,387	\$ (154,703)
System development fees	3,823,897	3,823,897	3,565,122	(258,775)
Fines and forfeitures	100	100	47	(53)
Investment earnings	2,311	2,311	40,638	38,327
Intergovernmental	-	-	5,243	5,243
Other	11,081	11,081	118,955	107,874
Total revenues	15,139,479	15,139,479	14,877,392	(262,087)
OPERATING EXPENDITURES				
Administration	1,056,870	1,124,795	1,091,063	33,732
Operations support	4,969,838	6,565,118	5,164,241	1,400,877
Contributions toward sewer capacity	2,704,181	2,916,219	2,463,621	452,598
Capital outlay	5,341,391	5,833,311	578,411	5,254,900
Total operating expenditures	14,072,280	16,439,443	9,297,336	7,142,107
DEBT SERVICE				
Principal	283,200	283,200	283,200	-
Interest	48,156	48,156	47,448	708
Agency fees	-	-	48	(48)
Total debt service	331,356	331,356	330,696	660
Total expenditures	14,403,636	16,770,799	9,628,032	7,142,767
Excess (deficiency) of revenues over (under) expenditures	735,843	(1,631,320)	5,249,360	6,880,680
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	(3,850,000)	(3,850,000)	-	3,850,000
Total other financing sources (uses)	(3,850,000)	(3,850,000)	-	3,850,000
Net change in funds available	(3,114,157)	(5,481,320)	5,249,360	10,730,680
Funds available - January 1	8,947,665	8,693,235	8,693,235	-
Funds available - December 31	\$ 5,833,508	\$ 3,211,915	\$ 13,942,595	\$ 10,730,680
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 5,249,360	
Depreciation expense			(2,576,038)	
Capital asset contributions			3,539,871	
Capital outlay			578,411	
Principal paid			283,200	
Amortization expense			5,044	
Investment in joint venture			1,333,755	
Accrued leave			(4,682)	
Change in net position			\$ 8,408,921	

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 3,276,178	\$ 3,276,178	\$ 3,606,046	\$ 329,868
Investment earnings	9,458	9,458	12,017	2,559
Intergovernmental	-	-	20,076	20,076
Other	-	-	3,073	3,073
Total revenues	3,285,636	3,285,636	3,641,212	355,576
OPERATING EXPENDITURES				
Administration	356,276	356,276	381,354	(25,078)
Operations support	867,264	874,287	857,147	17,140
Food and beverages	508,013	508,013	460,018	47,995
Maintenance	942,036	942,036	973,567	(31,531)
Capital outlay	224,778	337,571	43,705	293,866
Total operating expenditures	2,898,367	3,018,183	2,715,791	302,392
DEBT SERVICE				
Principal	564,810	564,810	564,052	758
Interest	115,289	115,289	114,335	954
Agency fees	2,500	2,500	300	2,200
Total debt service	682,599	682,599	678,687	3,912
Total expenditures	3,580,966	3,700,782	3,394,478	306,304
Excess (deficiency) of revenues over (under) expenditures	(295,330)	(415,146)	246,734	661,880
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	80,000	80,000	-
Interfund loan interest	(7,512)	(7,512)	(7,512)	-
Total other financing sources (uses)	72,488	72,488	72,488	-
Net change in funds available	(222,842)	(342,658)	319,222	661,880
Funds available - January 1	1,416,795	1,554,067	1,554,067	-
Funds available - December 31	\$ 1,193,953	\$ 1,211,409	\$ 1,873,289	\$ 661,880
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 319,222	
Depreciation expense			(272,732)	
Capital outlay			43,705	
Principal paid			564,052	
Amortization expense			(38,267)	
Accrued leave			(13,418)	
Change in net position			\$ 602,562	

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Taxes	\$ 3,498,070	\$ 3,498,070	\$ 3,675,008	\$ 176,938
Charges for services	4,509,036	4,509,036	1,920,292	(2,588,744)
Investment earnings	11,022	11,022	23,225	12,203
Intergovernmental	-	-	35,474	35,474
Other	-	-	6,727	6,727
Total revenues	8,018,128	8,018,128	5,660,726	(2,357,402)
OPERATING EXPENDITURES				
Administration	87,333	87,333	55,805	31,528
Operations support	3,198,070	3,198,070	2,489,379	708,691
Special events	307,957	307,957	378,050	(70,093)
Birthday parties	57,791	57,791	12,452	45,339
Aquatics	1,973,038	1,973,038	1,215,781	757,257
Athletics	988,823	988,823	835,019	153,804
Cultural arts	307,266	307,266	150,061	157,205
Fitness and wellness	481,210	481,210	277,673	203,537
Youth programs	517,412	517,412	412,032	105,380
Capital outlay	225,000	675,000	462,498	212,502
Total operating expenditures	8,143,900	8,593,900	6,288,750	2,305,150
Excess (deficiency) of revenues over (under) expenditures	(125,772)	(575,772)	(628,024)	(52,252)
OTHER FINANCING SOURCES (USES)				
Transfers out	(80,000)	(80,000)	(80,000)	-
Total other financing sources (uses)	(80,000)	(80,000)	(80,000)	-
Net change in funds available	(205,772)	(655,772)	(708,024)	(52,252)
Funds available - January 1	1,775,333	1,932,230	1,932,230	-
Funds available - December 31	\$ 1,569,561	\$ 1,276,458	\$ 1,224,206	\$ (52,252)
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (708,024)	
Depreciation expense			(334,678)	
Capital outlay			462,498	
Accrued leave			(64,799)	
Change in net position			\$ (645,003)	

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 6,920,000	\$ 6,920,000	\$ 7,511,584	\$ 591,584
Investment earnings	62,768	62,768	107,390	44,622
Intergovernmental	-	-	54,923	54,923
Other	-	-	1,229	1,229
Total revenues	6,982,768	6,982,768	7,675,126	692,358
OPERATING EXPENDITURES				
Operations support	6,749,275	7,100,327	6,537,826	562,501
Total operating expenditures	6,749,275	7,100,327	6,537,826	562,501
Excess (deficiency) of revenues over (under) expenditures	233,493	(117,559)	1,137,300	1,254,859
Net change in funds available	233,493	(117,559)	1,137,300	1,254,859
Funds available - January 1	3,834,594	3,974,109	3,974,109	-
Funds available - December 31	\$ 4,068,087	\$ 3,856,550	\$ 5,111,409	\$ 1,254,859
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 1,137,300	
Depreciation expense			(133,094)	
Accrued leave			(35,187)	
Change in net position			\$ 969,019	



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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, 2020

	Employee Benefits	Fleet Services	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 975,346	\$ 3,852,437	\$ 4,827,783
Investments	2,120,592	145,694	2,266,286
Receivables	51,464	11,241	62,705
Prepaid items	574	7,404	7,978
Total current assets	3,147,976	4,016,776	7,164,752
Non-current Assets			
Capital assets			
Buildings and improvements	-	43,590	43,590
Machinery and equipment	-	26,426,297	26,426,297
Construction in progress	-	5,620	5,620
Accumulated depreciation	-	(18,002,448)	(18,002,448)
Total non-current assets	-	8,473,059	8,473,059
Total assets	3,147,976	12,489,835	15,637,811
LIABILITIES			
Current liabilities			
Accounts payable	652,649	64,320	716,969
Unearned revenues	639,534	-	639,534
Current portion of accrued leave	-	54,258	54,258
Total current liabilities	1,292,183	118,578	1,410,761
Non-current liabilities			
Accrued leave	-	15,497	15,497
Total non-current liabilities	-	15,497	15,497
Total liabilities	1,292,183	134,075	1,426,258
NET POSITION			
Net investment in capital assets	-	8,453,447	8,453,447
Unrestricted	1,855,793	3,902,313	5,758,106
Total net position	\$ 1,855,793	\$ 12,355,760	\$ 14,211,553

TOWN OF CASTLE ROCK, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Employee Benefits	Fleet Services	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 7,651,095	\$ 2,342,818	\$ 9,993,913
Intergovernmental	-	6,610	6,610
Other	1,758,271	5,143	1,763,414
Total operating revenues	9,409,366	2,354,571	11,763,937
OPERATING EXPENSES			
Cost of sales and services	8,898,963	1,396,856	10,295,819
Depreciation	-	3,068,586	3,068,586
Total operating expenses	8,898,963	4,465,442	13,364,405
Operating income (loss)	510,403	(2,110,871)	(1,600,468)
NON-OPERATING REVENUES/(EXPENSES)			
Investment earnings	68,336	17,992	86,328
Gain on disposal of capital assets	-	162,143	162,143
Total non-operating revenues/(expenses)	68,336	180,135	248,471
Net income (loss) before contributions and transfers	578,739	(1,930,736)	(1,351,997)
CONTRIBUTIONS AND TRANSFERS			
Transfers in	-	200,247	200,247
Total contributions and transfers	-	200,247	200,247
Change in net position	578,739	(1,730,489)	(1,151,750)
Total net position - January 1	1,277,054	14,086,249	15,363,303
Total net position - December 31	\$ 1,855,793	\$ 12,355,760	\$ 14,211,553

TOWN OF CASTLE ROCK, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Employee Benefits	Fleet Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,820,956	\$ 4,747	\$ 1,825,703
Receipts from interfund services provided	7,651,095	2,342,818	9,993,913
Payments to suppliers	(8,699,068)	(696,735)	(9,395,803)
Payments to employees	(177,608)	(694,620)	(872,228)
Net cash provided by operating activities	595,375	956,210	1,551,585
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash transfers in	-	200,247	200,247
Net cash provided by non-capital financing activities	-	200,247	200,247
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(1,590,115)	(1,590,115)
Proceeds from sale of capital assets	-	123,986	123,986
Net cash used in capital and related financing activities	-	(1,466,129)	(1,466,129)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	47,161	16,537	63,698
Increase in equity in pooled investments	(44,963)	(3,089)	(48,052)
Net cash provided by investing activities	2,198	13,448	15,646
Net increase (decrease) in cash and cash equivalents	597,573	(296,224)	301,349
Cash and cash equivalents - January 1	377,773	4,148,661	4,526,434
Cash and cash equivalents - December 31	\$ 975,346	\$ 3,852,437	\$ 4,827,783
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION			
Unrestricted cash and cash equivalents	\$ 975,346	\$ 3,852,437	\$ 4,827,783
Total cash and cash equivalents	\$ 975,346	\$ 3,852,437	\$ 4,827,783
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 510,403	\$ (2,110,871)	\$ (1,600,468)
Adjustments to reconcile operating income (loss) from operations to net cash provided by operating activities			
Depreciation	-	3,068,586	3,068,586
(Increase) decrease in assets			
Accounts receivable	12,866	(7,004)	5,862
Prepaid items	(39)	(328)	(367)
Increase (decrease) in liabilities			
Accounts payable	22,326	(9)	22,317
Accrued leave	-	5,836	5,836
Unearned revenue	49,819	-	49,819
Total adjustments	84,972	3,067,081	3,152,053
Net cash provided by operating activities	\$ 595,375	\$ 956,210	\$ 1,551,585
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Payables incurred for purchase of capital assets	\$ -	\$ (19,612)	\$ (19,612)
Increase in fair value of investments	21,175	1,455	22,630
Noncash investing, capital and financing activities	\$ 21,175	\$ (18,157)	\$ 3,018

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, 2020

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,085,937	\$ 8,085,937	\$ 7,651,095	\$ (434,842)
Investment earnings	58,096	58,096	68,336	10,240
Other	1,834,901	1,834,901	1,758,271	(76,630)
Total revenues	9,978,934	9,978,934	9,477,702	(501,232)
EXPENDITURES				
Operations	9,906,140	9,906,140	8,898,963	1,007,177
Total expenditures	9,906,140	9,906,140	8,898,963	1,007,177
Net change in funds available	72,794	72,794	578,739	505,945
Funds available - January 1	2,003,701	1,277,054	1,277,054	-
Funds available - December 31	<u>\$ 2,076,495</u>	<u>\$ 1,349,848</u>	<u>\$ 1,855,793</u>	<u>\$ 505,945</u>

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, 2020

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 4,711,865	\$ 4,711,865	\$ 2,342,818	\$ (2,369,047)
Investment earnings	30,440	30,440	17,992	(12,448)
Transfers in	152,552	210,052	200,247	(9,805)
Proceeds from sale of capital assets	158,350	158,350	200,302	41,952
Intergovernmental	-	-	6,610	6,610
Other	-	-	5,143	5,143
Total revenues	5,053,207	5,110,707	2,773,112	(2,337,595)
EXPENDITURES				
Operations	1,281,825	1,281,825	1,391,020	(109,195)
Capital outlay	1,908,294	2,092,050	1,516,259	575,791
Total expenditures	3,190,119	3,373,875	2,907,279	466,596
Net change in funds available	1,863,088	1,736,832	(134,167)	(1,870,999)
Funds available - January 1	3,377,476	4,075,220	4,075,220	-
Funds available - December 31	\$ 5,240,564	\$ 5,812,052	\$ 3,941,053	\$ (1,870,999)
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (134,167)	
Depreciation expense			(3,068,586)	
Capital outlay			1,516,259	
Proceeds from sale of capital assets			(200,302)	
Gain on disposal of capital assets			162,143	
Accrued leave			(5,836)	
Change in net position			\$ (1,730,489)	



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CUSTODIAL FUNDS

Custodial funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement for individuals, organizations and other governments.

Add-On PIF Fund

The Add-On PIF Fund is a custodial fund used to account for the receipt and disbursement of the add-on public improvement fee (PIF) collected on sales transactions in the Promenade retail center.

Special District Fee Fund

The Special District Fee Fund is a custodial fund used to account for receipt and disbursement of the Meadows District imposed capital reserve fee.

Use Tax Fund

The Use Tax Fund is a custodial fund used to account for the receipt and disbursement of Douglas County's 1.00% portion of the use tax imposed on construction materials that are utilized in the construction of real property.

Authority Development Fee Fund

The Authority Development Fee Fund is a custodial fund used to account for the receipt and disbursement of the Cherry Creek Basin Water Quality Authority's imposed Development Fee.

TOWN OF CASTLE ROCK, COLORADO

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

DECEMBER 31, 2020

	Add-On PIF Fund	Special District Fee Fund	Use Tax Fund	Authority Development Fee Fund	Total Custodial Funds
ASSETS					
Cash and cash equivalents	\$ 80,959	\$ 43,916	\$ 155,895	\$ 1,140	\$ 281,910
Total assets	<u>80,959</u>	<u>43,916</u>	<u>155,895</u>	<u>1,140</u>	<u>281,910</u>
LIABILITIES					
Accounts payable	-	-	500	-	500
Due to organizations and other governments	<u>80,959</u>	<u>43,916</u>	<u>155,395</u>	<u>1,140</u>	<u>281,410</u>
Total liabilities	<u>80,959</u>	<u>43,916</u>	<u>155,895</u>	<u>1,140</u>	<u>281,910</u>
NET POSITION					
Net position restricted for organizations and other governments	-	-	-	-	-
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF CASTLE ROCK, COLORADO

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Add-On PIF Fund	Special District Fee Fund	Use Tax Fund	Authority Development Fee Fund	Total Custodial Funds
ADDITIONS					
Fee and permit collections for other governments	\$ 392,152	\$ 695,501	\$ -	\$ 20,040	\$ 1,107,694
Tax collections for other governments	-	-	1,705,233	-	1,705,233
Total additions	392,152	695,501	1,705,233	20,040	2,812,927
DEDUCTIONS					
Payments of fees and permits to organizations and other governments	392,152	693,762	-	20,040	1,105,955
Payments of taxes to other governments	-	-	1,699,233	-	1,699,233
Administrative expense	-	1,739	6,000	-	7,739
Total deductions	392,152	695,501	1,705,233	20,040	2,812,927
Net increase (decrease) in fiduciary net position	-	-	-	-	-
Net position - beginning	-	-	-	-	-
Net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -



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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.

<u>TABLE OF CONTENTS</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the financial performance and well-being of the Town has changed over time.	165
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant local revenue source, sales tax.	178
Debt Capacity 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.	197
Demographic and Economic Information These schedules provide demographic and economic indicators to help the reader understand the environment within which the Town operates.	207
Operating Information 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.	214

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

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)

	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 217,467,207	\$ 225,585,883	\$ 201,422,904	\$ 254,066,717
Restricted	2,196,333	1,994,901	70,760,651	8,223,087
Unrestricted	55,122,930	52,464,307	23,335,029	52,846,664
Total governmental activities net position	274,786,470	280,045,091	295,518,584	315,136,468
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	315,765,489	318,957,957	314,819,483	333,160,111
Unrestricted	96,121,678	110,322,628	135,789,073	143,859,391
Total business-type activities net position	411,887,167	429,280,585	450,608,556	477,019,502
PRIMARY GOVERNMENT				
Net investment in capital assets	533,232,696	544,543,840	516,242,387	587,226,828
Restricted	2,196,333	1,994,901	70,760,651	8,223,087
Unrestricted	151,244,608	162,786,935	159,124,102	196,706,055
Total primary government net position	\$ 686,673,637	\$ 709,325,676	\$ 746,127,140	\$ 792,155,970

	2015	2016	2017	2018	2019	2020
\$	281,695,831	\$ 302,585,569	\$ 313,943,660	\$ 332,762,370	\$ 361,694,721	\$ 376,706,367
	11,447,113	11,435,201	14,486,482	19,853,075	16,884,859	29,327,323
	36,287,969	38,993,869	41,495,945	47,989,843	49,179,639	64,958,841
	329,430,913	353,014,639	369,926,087	400,605,288	427,759,219	470,992,531
	343,865,979	367,831,717	444,474,020	473,027,666	512,559,768	567,915,608
	164,510,149	178,911,069	138,557,064	150,221,369	134,822,353	130,333,154
	508,376,128	546,742,786	583,031,084	623,249,035	647,382,121	698,248,762
	625,561,810	670,417,286	758,417,680	805,790,036	874,254,489	944,621,975
	11,447,113	11,435,201	14,486,482	19,853,075	16,884,859	29,327,323
	200,798,118	217,904,938	180,053,009	198,211,212	184,001,992	195,291,995
\$	837,807,041	\$ 899,757,425	\$ 952,957,171	\$ 1,023,854,323	\$ 1,075,141,340	\$ 1,169,241,293

TOWN OF CASTLE ROCK, COLORADO
TOWN-WIDE CHANGES IN NET POSITION
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING
TABLE 2 (UNAUDITED)

	2011	2012	2013	2014
EXPENSES				
Governmental activities:				
General government	\$ 10,053,849	\$ 10,311,488	\$ 10,752,935	\$ 16,404,854
Public safety	16,059,583	17,023,891	18,177,110	20,150,643
Public works	17,036,708	17,720,922	18,765,794	19,233,864
Cultural and recreation	4,590,564	5,205,661	5,013,020	5,617,151
Interest on long-term debt	733,329	684,795	1,900,445	1,695,011
Total governmental activities expenses	48,474,033	50,946,757	54,609,304	63,101,523
Business-type activities:				
Water	13,500,479	13,845,199	13,790,680	13,259,467
Water resources	2,663,422	2,840,582	3,505,791	4,406,190
Stormwater	2,524,188	2,632,999	2,752,781	3,047,542
Wastewater	7,619,081	8,021,540	8,023,526	8,231,592
Golf	2,185,290	2,318,379	2,312,927	2,426,425
Community center	4,218,613	4,183,298	4,611,098	5,117,001
Development services	2,399,589	2,446,421	3,113,710	3,763,554
Total business-type activities expenses	35,110,662	36,288,418	38,110,513	40,251,771
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	2,902,182	2,989,662	3,398,349	3,499,635
Public safety	2,898,099	2,786,966	2,978,129	2,748,927
Public works	886,933	1,327,345	2,393,368	2,086,424
Cultural and recreation	1,189,068	1,649,862	2,699,234	2,342,764
Operating grants and contributions	3,667,953	3,620,497	6,415,121	5,930,735
Capital grants and contributions	2,155,847	1,666,066	4,233,013	17,746,543
Total governmental activities program revenues	13,700,082	14,040,398	22,117,214	34,355,028
Business-type activities:				
Charges for services:				
Water	11,920,422	13,607,612	12,272,368	11,484,921
Water resources	6,140,619	6,397,234	6,691,043	7,110,200
Stormwater	1,836,749	1,815,055	1,991,406	2,331,881
Wastewater	7,407,589	7,906,426	8,634,009	8,759,397
Golf	2,331,460	2,649,636	2,677,310	2,773,387
Community center	2,454,771	2,536,342	2,670,239	3,062,365
Development services	2,602,431	3,456,483	4,622,507	4,052,836
Capital grants and contributions	12,882,101	12,831,081	20,162,551	22,959,052
Total business-type activities program revenues	47,576,142	51,199,869	59,721,433	62,534,039
Total primary government program revenues	\$ 61,276,224	\$ 65,240,267	\$ 81,838,647	\$ 96,889,067

	2015	2016	2017	2018	2019	2020
\$	15,160,901	\$ 14,023,404	\$ 15,237,806	\$ 16,128,883	\$ 17,615,169	\$ 19,217,793
	22,476,557	23,951,068	26,837,846	28,499,674	31,616,925	30,340,170
	22,300,425	25,769,578	27,654,814	29,833,280	37,096,813	32,326,601
	6,501,612	7,677,894	7,590,806	8,201,097	7,995,062	8,360,633
	1,641,360	1,445,842	1,450,707	1,428,837	1,337,305	1,237,504
	68,080,855	72,867,786	78,771,979	84,091,771	95,661,274	91,482,701
	14,462,500	14,817,848	14,838,232	15,599,176	18,519,142	18,921,743
	4,555,574	5,925,682	6,291,869	8,695,784	9,849,461	10,777,309
	3,493,118	4,117,364	4,004,389	4,256,104	4,480,720	4,922,935
	7,985,659	8,054,679	11,365,376	22,442,714	25,748,740	10,161,425
	2,723,815	2,777,471	2,879,397	2,874,399	3,020,217	3,104,291
	6,210,318	6,600,250	6,691,990	7,087,816	8,084,639	6,214,007
	4,346,027	5,315,651	5,831,788	5,758,964	6,233,635	6,779,057
	43,777,011	47,608,945	51,903,041	66,714,957	75,936,554	60,880,767
	3,950,825	3,830,017	4,213,469	4,414,744	4,256,832	5,152,731
	3,003,469	3,263,779	3,638,038	4,065,404	4,001,601	4,568,332
	2,283,891	3,248,842	3,407,838	6,312,477	6,473,501	12,479,568
	2,389,953	3,219,809	3,356,506	4,114,858	3,460,974	7,399,434
	4,798,880	4,465,204	4,614,103	5,356,759	6,973,214	12,496,755
	10,285,470	18,645,995	12,562,716	19,443,668	24,506,240	17,892,285
	26,712,488	36,673,646	31,792,670	43,707,910	49,672,362	59,989,105
	13,027,856	14,393,516	17,210,558	16,186,541	18,236,901	19,557,916
	7,672,085	8,206,834	10,537,762	11,459,270	16,465,907	13,410,716
	2,239,481	2,609,893	3,478,385	4,222,729	4,049,342	3,785,567
	9,259,550	9,691,906	10,300,046	11,236,722	11,214,673	11,271,632
	2,783,584	2,971,846	3,057,548	3,132,347	3,189,851	3,629,195
	3,862,296	3,852,074	3,804,710	3,908,721	4,430,672	1,962,493
	4,677,648	6,292,090	5,720,631	6,492,172	6,304,317	7,567,736
	28,827,928	34,394,316	29,859,373	46,318,722	30,603,260	44,344,837
	72,350,428	82,412,475	83,969,013	102,957,224	94,494,923	105,530,092
\$	99,062,916	\$ 119,086,121	\$ 115,761,683	\$ 146,665,134	\$ 144,167,285	\$ 165,519,197

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE CHANGES IN NET POSITION (CONTINUED)

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 2 (UNAUDITED)

	2011	2012	2013	2014
NET (EXPENSE) REVENUE				
Governmental activities	\$ (34,773,951)	\$ (36,906,359)	\$ (32,492,090)	\$ (28,746,495)
Business-type activities	12,465,480	14,911,451	21,610,920	22,282,268
Total primary government net expense	<u>\$ (22,308,471)</u>	<u>\$ (21,994,908)</u>	<u>\$ (10,881,170)</u>	<u>\$ (6,464,227)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property taxes	\$ 1,107,720	\$ 949,513	\$ 957,883	\$ 1,004,072
Sales taxes	27,890,577	30,134,903	33,321,579	35,698,294
Use taxes	2,647,784	4,507,890	5,449,404	4,613,694
Motor vehicle	3,331,459	3,875,769	4,327,109	4,963,693
Other taxes	2,141,971	2,147,887	2,312,906	2,519,409
Interest and investment earnings	316,419	254,274	99,790	335,763
Other revenues	697,282	275,280	251,632	363,420
Transfers	585	19,464	1,486,707	(1,133,966)
Total governmental activities	<u>38,133,797</u>	<u>42,164,980</u>	<u>48,207,010</u>	<u>48,364,379</u>
Business-type activities				
Taxes	1,798,421	2,033,108	2,266,010	2,391,546
Interest and investment earnings	562,378	468,323	134,476	603,166
Transfers	(585)	(19,464)	(1,486,707)	1,133,966
Total business-type activities	<u>2,360,214</u>	<u>2,481,967</u>	<u>913,779</u>	<u>4,128,678</u>
Total primary government	<u>\$ 40,494,011</u>	<u>\$ 44,646,947</u>	<u>\$ 49,120,789</u>	<u>\$ 52,493,057</u>
CHANGE IN NET POSITION				
Governmental activities	\$ 3,359,846	\$ 5,258,621	\$ 15,714,920	\$ 19,617,884
Business-type activities	14,825,694	17,393,418	22,524,699	26,410,946
Total primary government	<u>\$ 18,185,540</u>	<u>\$ 22,652,039</u>	<u>\$ 38,239,619</u>	<u>\$ 46,028,830</u>

2015	2016	2017	2018	2019	2020
\$ (41,368,367) 28,573,417	\$ (36,194,140) 34,803,530	\$ (46,979,309) 32,065,972	\$ (40,383,861) 36,242,267	\$ (45,988,912) 18,558,369	\$ (31,493,596) 44,649,325
<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>	<u>\$ 13,155,729</u>
\$ 1,024,564 38,526,092 5,033,746 5,694,180 2,626,034 274,086 710,521 240,024	\$ 1,094,337 41,632,958 7,671,139 6,125,671 2,683,156 322,843 303,285 (55,523)	\$ 1,174,213 45,412,814 7,358,941 6,334,416 2,804,922 491,214 233,717 80,520	\$ 1,330,579 48,608,882 8,861,469 6,808,761 2,919,175 1,000,045 229,881 1,304,270	\$ 1,483,121 50,729,264 8,080,760 7,560,750 3,111,497 1,589,888 135,487 452,076	\$ 1,744,657 52,468,081 10,103,705 6,296,757 2,887,574 1,215,566 198,225 (187,657)
<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>	<u>74,726,908</u>
2,519,151 504,082 (240,024)	2,791,379 716,226 55,523	3,027,602 1,275,244 (80,520)	3,277,885 2,002,069 (1,304,270)	3,406,474 2,620,319 (452,076)	3,675,008 2,354,651 187,657
<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>6,217,316</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>	<u>\$ 80,944,224</u>
\$ 12,760,880 31,356,626	\$ 23,583,726 38,366,658	\$ 16,911,448 36,288,298	\$ 30,679,201 40,217,951	\$ 27,153,931 24,133,086	\$ 43,233,312 50,866,641
<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>	<u>\$ 94,099,953</u>

TOWN OF CASTLE ROCK, COLORADO

PROGRAM REVENUES BY FUNCTION

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 3 (UNAUDITED)

	2011	2012	2013	2014
REVENUE SOURCE				
PROGRAM REVENUES				
Charges for services	\$ 42,570,323	\$ 47,122,623	\$ 51,027,962	\$ 50,252,737
Operating grants and contributions	3,667,953	3,620,497	6,415,121	5,930,735
Capital grants and contributions	15,037,948	14,497,147	24,395,564	40,705,595
Total program revenues	61,276,224	65,240,267	81,838,647	96,889,067
GENERAL REVENUES				
Property taxes	1,107,720	949,513	957,883	1,004,072
Sales taxes	29,350,586	31,710,136	35,064,818	37,566,668
Use tax-building and motor vehicle	6,317,655	8,841,534	10,299,284	10,100,559
Other taxes	2,141,971	2,147,887	2,312,906	2,519,409
Investment earnings	878,797	722,597	234,266	938,929
Other	697,282	275,280	251,632	363,420
Total general revenues	40,494,011	44,646,947	49,120,789	52,493,057
Total revenues	\$ 101,770,235	\$ 109,887,214	\$ 130,959,436	\$ 149,382,124

2015	2016	2017	2018	2019	2020
\$ 55,150,638	\$ 61,580,606	\$ 68,725,491	\$ 75,545,985	\$ 82,084,571	\$ 90,785,320
4,798,880	4,465,204	4,614,103	5,356,759	6,973,214	12,496,755
39,113,398	53,040,311	42,422,089	65,762,390	55,109,500	62,237,122
99,062,916	119,086,121	115,761,683	146,665,134	144,167,285	165,519,197
1,024,564	1,094,337	1,174,213	1,330,579	1,483,121	1,744,657
40,476,326	43,742,356	47,732,084	51,064,615	53,320,475	55,296,880
11,296,843	14,478,791	14,401,689	16,492,382	16,456,773	17,246,671
2,626,034	2,683,156	2,804,922	2,919,175	3,111,497	2,887,574
778,168	1,039,069	1,766,458	3,002,114	4,210,207	3,570,217
710,521	303,285	233,717	229,881	135,487	198,225
56,912,456	63,340,994	68,113,083	75,038,746	78,717,560	80,944,224
<u>\$ 155,975,372</u>	<u>\$ 182,427,115</u>	<u>\$ 183,874,766</u>	<u>\$ 221,703,880</u>	<u>\$ 222,884,845</u>	<u>\$ 246,463,421</u>

TOWN OF CASTLE ROCK, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 4 (UNAUDITED)

	2011	2012	2013	2014
GENERAL FUND				
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
Total general fund	<u>\$ 18,910,485</u>	<u>\$ 22,234,995</u>	<u>\$ 22,858,051</u>	<u>\$ 20,999,556</u>
ALL OTHER GOVERNMENTAL FUNDS				
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)
Total all other governmental funds	<u>\$ 25,733,504</u>	<u>\$ 29,759,155</u>	<u>\$ 68,556,043</u>	<u>\$ 37,530,285</u>

2015	2016	2017	2018	2019	2020
\$ 2,634,861	\$ 2,724,800	\$ 6,273,689	\$ 5,433,140	\$ 4,591,792	\$ 3,451,699
1,633,328	1,670,055	1,754,607	1,898,642	2,052,460	11,881,852
3,011,282	4,632,978	5,561,036	6,390,596	5,164,845	7,475,925
876,594	220,782	1,501,424	6,057,187	2,145,008	3,077,600
13,905,280	16,148,395	14,319,577	12,517,874	15,592,815	21,102,116
<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>	<u>\$ 46,989,192</u>
\$ 851,972	\$ 57,940	\$ 63,269	\$ 65,643	\$ 72,486	\$ 77,008
7,963,605	7,729,860	10,843,652	16,322,110	14,832,399	26,632,223
14,832,926	14,037,404	13,306,523	16,030,561	12,430,285	21,125,135
(2,424,048)	(1,050,283)	(1,318,438)	(3,042,089)	(2,641,730)	(930,030)
<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>	<u>\$ 46,904,336</u>

TOWN OF CASTLE ROCK, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

MODIFIED ACCRUAL BASIS OF ACCOUNTING

TABLE 5 (UNAUDITED)

	2011	2012	2013	2014
REVENUES				
Taxes				
Property	\$ 1,107,720	\$ 949,513	\$ 957,883	\$ 1,004,072
Sales	27,890,577	30,134,903	33,321,579	35,698,294
Use	2,647,784	4,507,890	5,449,404	4,613,694
Motor vehicle	3,331,459	3,875,769	4,327,109	4,963,693
Other	2,141,971	2,147,887	2,312,906	2,519,409
Development impact fees	2,434,430	3,432,150	5,864,237	5,684,787
Licenses and permits	188,614	221,699	212,174	192,421
Charges for services	1,791,361	1,510,390	1,820,335	1,813,775
Management fees	2,627,670	2,599,023	2,501,728	2,489,606
Fines and forfeitures	546,024	484,226	361,104	542,459
Intergovernmental	4,072,775	3,470,817	5,598,398	5,680,885
Investment earnings	275,728	226,911	93,667	316,903
Contributions and donations	589,271	614,653	848,837	791,224
Other	876,708	553,773	552,048	543,221
Total revenues	50,522,092	54,729,604	64,221,409	66,854,443
EXPENDITURES				
Current				
General government	8,645,829	8,897,958	9,711,316	15,328,617
Public safety	15,926,597	17,050,118	18,362,513	19,917,911
Public works	8,463,180	8,666,415	9,712,423	10,009,814
Culture and recreation	3,093,878	3,647,476	3,384,239	3,668,965
Capital Outlay	4,377,360	7,134,263	13,354,103	46,800,960
Debt service				
Principal	1,174,634	1,595,202	1,049,880	1,605,087
Interest	712,744	657,813	1,330,288	1,808,034
Debt issue costs	-	-	555,661	-
Agency fees	1,100	750	400	2,700
Total expenditures	42,395,322	47,649,995	57,460,823	99,142,088
Excess of revenues over (under) expenditures	8,126,770	7,079,609	6,760,586	(32,287,645)
OTHER FINANCING SOURCES (USES)				
Inception of capital lease	-	269,967	-	938,402
Certificates of Participation	-	-	9,245,000	-
Bond issuance	-	-	20,000,000	-
Notes Payable	-	-	-	-
Premium (discount) on bonds	-	-	2,629,470	-
Transfers in	16,052,721	1,318,423	17,155,293	11,015,492
Payment to escrow agent	-	-	-	-
Transfers out	(16,150,136)	(1,317,838)	(16,370,405)	(12,550,502)
Total other financing sources (uses)	(97,415)	270,552	32,659,358	(596,608)
Net change in fund balances Fund balances	\$ 8,029,355	\$ 7,350,161	\$ 39,419,944	\$ (32,884,253)
Debt service as a percentage of noncapital expenditures	4.96%	5.56%	5.40%	6.52%

2015		2016		2017		2018		2019		2020	
\$	1,024,564	\$	1,094,337	\$	1,174,213	\$	1,330,579	\$	1,483,121	\$	1,744,657
	38,526,092		41,632,958		45,412,814		48,608,882		50,729,264		52,072,342
	5,033,746		7,671,139		7,358,941		8,861,469		8,080,760		10,103,705
	5,694,180		6,125,671		6,334,416		6,808,761		7,560,750		6,296,757
	2,626,034		2,683,156		2,804,922		2,919,175		3,111,497		2,887,574
	5,691,343		7,607,698		7,989,231		11,921,883		11,153,802		21,895,968
	232,611		232,540		242,533		236,904		272,487		264,692
	1,979,765		2,244,591		2,326,651		2,633,658		2,564,419		2,268,335
	2,770,586		2,886,561		3,274,465		3,434,368		3,421,034		4,308,917
	815,713		440,519		399,681		412,374		402,875		270,019
	7,751,453		5,692,037		4,327,153		6,084,390		8,250,439		12,313,151
	255,876		296,617		447,166		918,709		1,477,480		1,129,238
	604,013		581,070		792,259		658,018		1,388,440		556,530
	895,230		457,493		584,629		418,087		423,667		717,982
	73,901,206		79,646,387		83,469,074		95,247,257		100,320,035		116,829,867
	12,756,053		12,308,420		13,937,216		14,895,787		16,413,940		18,150,269
	22,187,805		23,545,337		25,971,232		29,010,161		30,490,734		29,460,283
	13,155,869		15,706,515		16,239,204		17,695,519		24,577,746		17,596,280
	3,929,160		4,858,749		4,712,621		5,341,350		5,464,112		5,007,153
	33,319,262		19,132,373		12,269,269		16,282,437		25,849,836		13,370,735
	1,742,800		1,802,801		1,277,801		1,075,000		3,720,000		1,530,000
	1,748,126		1,583,329		1,649,039		1,613,005		1,527,647		1,316,606
	-		159,890		-		-		-		388,511
	2,700		2,625		2,850		2,704		2,600		2,600
	88,841,775		79,100,039		76,059,232		85,915,963		108,046,615		86,822,437
	(14,940,569)		546,348		7,409,842		9,331,294		(7,726,580)		30,007,430
	-		-		-		-		-		-
	-		-		-		-		-		1,467,716
	-		7,405,000		-		-		-		27,035,000
	-		2,500,000		-		-		-		-
	-		1,389,503		-		-		-		(16,747)
	6,973,840		8,130,962		4,240,560		5,120,410		5,264,477		3,384,501
	-		(8,659,717)		-		-		-		(18,452,327)
	(7,277,312)		(8,425,965)		(5,516,994)		(5,083,379)		(4,971,201)		(3,772,405)
	(303,472)		2,339,783		(1,276,434)		37,031		293,276		9,645,738
\$	(15,244,041)	\$	2,886,131	\$	6,133,408	\$	9,368,325	\$	(7,433,304)	\$	39,653,168
	6.29%		5.65%		4.59%		3.86%		6.38%		3.88%



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Revenue Capacity

TOWN OF CASTLE ROCK, COLORADO

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

Year	Property Taxes	Sales and Use Taxes	Motor Vehicle	Other Taxes	Total
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
2020	1,744,657	62,176,047	6,296,757	2,887,574	73,105,035

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE EXPENSES BY ACTIVITY AND FUNCTION

LAST TEN YEARS

TABLE 7 (UNAUDITED)

	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
General government	\$ 10,053,849	\$ 10,311,488	\$ 10,752,935	\$ 16,404,854
Public safety	16,059,583	17,023,891	18,177,110	20,150,643
Public works	17,036,708	17,720,922	18,765,794	19,233,864
Cultural and recreation	4,590,564	5,205,661	5,013,020	5,617,151
Interest on long-term debt	733,329	684,795	1,900,445	1,695,011
Total governmental activities	48,474,033	50,946,757	54,609,304	63,101,523
BUSINESS-TYPE ACTIVITIES				
Water	13,500,479	13,845,199	13,790,680	13,259,467
Water resources	2,663,422	2,840,582	3,505,791	4,406,190
Stormwater	2,524,188	2,632,999	2,752,781	3,047,542
Wastewater	7,619,081	8,021,540	8,023,526	8,231,592
Golf course	2,185,290	2,318,379	2,312,927	2,426,425
Community center	4,218,613	4,183,298	4,611,098	5,117,001
Development services	2,399,589	2,446,421	3,113,710	3,763,554
Total business-type activities	35,110,662	36,288,418	38,110,513	40,251,771
Total all activities	\$ 83,584,695	\$ 87,235,175	\$ 92,719,817	\$ 103,353,294

	2015	2016	2017	2018	2019	2020
\$	15,160,901	\$ 14,023,404	\$ 15,237,806	\$ 16,128,883	\$ 17,615,169	\$ 19,217,793
	22,476,557	23,951,068	26,837,846	28,499,674	31,616,925	30,340,170
	22,300,425	25,769,578	27,654,814	29,833,280	37,096,813	32,326,601
	6,501,612	7,677,894	7,590,806	8,201,097	7,995,062	8,360,633
	1,641,360	1,445,842	1,450,707	1,428,837	1,337,305	1,237,504
	68,080,855	72,867,786	78,771,979	84,091,771	95,661,274	91,482,701
	14,462,500	14,817,848	14,838,232	15,599,176	18,519,142	18,921,743
	4,555,574	5,925,682	6,291,869	8,695,784	9,849,461	10,777,309
	3,493,118	4,117,364	4,004,389	4,256,104	4,480,720	4,922,935
	7,985,659	8,054,679	11,365,376	22,442,714	25,748,740	10,161,425
	2,723,815	2,777,471	2,879,397	2,874,399	3,020,217	3,104,291
	6,210,318	6,600,250	6,691,990	7,087,816	8,084,639	6,214,007
	4,346,027	5,315,651	5,831,788	5,758,964	6,233,635	6,779,057
	43,777,011	47,608,945	51,903,041	66,714,957	75,936,554	60,880,767
\$	111,857,866	\$ 120,476,731	\$ 130,675,020	\$ 150,806,728	\$ 171,597,828	\$ 152,363,468

TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS

GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN YEARS

TABLE 8 (UNAUDITED)

Year	General Government	Public Safety	Public Works	Culture and Recreation
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
2020	18,150,269	29,460,283	17,596,280	5,007,153

Capital Outlay	Debt Service	Total
\$ 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
13,370,735	3,237,717	86,822,437

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 ⁽²⁾	Collection ⁽¹⁾ Within The Fiscal Year Of The Levy	
			Amount	Percentage of Levy
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%
2019	2020	1,405,352	1,744,657	124.14%

(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

Collections/ Abate­ments for Previous Years		Total Collections To Date	
		Amount	Percentage Of Levy
\$	(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%
	(2,051)	1,742,606	124.00%

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
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
2020	758,756,980	72,967,870	512,407,380	27,822,780	1,768,700

Source: Douglas County Assessor's Office

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
\$ 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%
54,879,470	240,247,210	1,188,355,970	1.196	11,905,218,264	9.98%

TOWN OF CASTLE ROCK, COLORADO

PROPERTY TAX RATES (MILLS)

DIRECT AND OVERLAPPING GOVERNMENTS ⁽¹⁾

LAST TEN YEARS

TABLE 11 (UNAUDITED)

Levy Year	Collection Year	Direct Rate		Douglas County School District RE-1	Douglas County ⁽⁴⁾	Cedar Hill Cemetery	Cherry Creek Basin Authority	Douglas County Library District	Castle Oaks	Castlewood Ranch
		Town ⁽³⁾								
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
2020	2021	1.196		43.504	23.774	0.128	0.478	4.012	49.000-52.953	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	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
85.442	74.625	3.500-51.500	45.000-51.820	88.083	75.121	33.500	35.000	0.000	4.432-88.083

TOWN OF CASTLE ROCK, COLORADO

TAXABLE SALES BY CATEGORY

LAST TEN YEARS

TABLE 12 (UNAUDITED)

	2011	2012	2013	2014
Food & General Merchandise	\$ 8,257,628	\$ 8,829,818	\$ 9,408,215	\$ 9,817,626
Apparel & Accessories	5,004,730	5,684,757	6,327,660	6,662,644
Hotels, Restaurants & Bars	3,053,783	3,598,225	4,012,913	4,279,072
Misc Retail	2,591,034	2,572,575	2,924,378	3,219,572
Utilities	1,830,558	1,771,021	1,983,954	2,106,045
Audit & Collections Revenue	314,205	74,615	69,524	170,701
Communications	1,197,043	1,329,834	1,209,491	1,239,425
Home & Garden	1,762,161	2,150,650	2,406,044	2,600,920
Autos & Auto Items	1,231,105	1,585,930	1,677,871	1,827,115
Furniture & Home Décor	485,242	616,076	849,162	1,067,807
Leasing & Rentals	455,851	420,846	450,731	517,530
Services	615,334	528,748	630,009	648,057
Agriculture & Construction	178,302	461,286	593,868	665,826
Wholesale & Manufacturing	219,978	388,896	646,284	642,773
Total	<u>\$ 27,196,954</u>	<u>\$ 30,013,277</u>	<u>\$ 33,190,104</u>	<u>\$ 35,465,113</u>
Town of Castle Rock Sales Tax Rate	4.0%	4.0%	4.0%	4.0%

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

Source: Town of Castle Rock Sales Tax Department

2015	2016	2017	2018	2019	2020
\$ 10,327,221	\$ 10,896,117	\$ 12,944,153	\$ 14,231,685	\$ 13,530,600	\$ 16,126,637
6,974,642	7,376,674	8,147,394	8,144,044	7,659,585	5,824,649
4,646,388	5,335,604	5,580,192	6,006,785	6,453,452	6,048,091
3,464,970	3,765,358	4,168,474	5,164,182	6,228,567	8,482,200
2,080,306	2,036,135	2,108,077	2,254,822	2,307,618	2,186,038
777,210	448,084	356,768	510,401	1,324,025	1,759,921
1,329,241	1,483,165	1,341,322	1,423,855	1,404,425	1,262,109
2,826,269	3,178,848	3,307,815	3,445,425	3,703,262	4,527,502
2,046,740	2,217,388	2,151,300	2,238,964	2,225,167	2,377,799
1,164,759	1,340,636	1,333,269	1,331,718	1,537,699	1,730,813
618,217	810,962	937,871	1,073,077	1,238,673	1,231,803
715,803	1,036,407	1,012,432	985,284	939,705	963,484
754,798	947,715	876,884	859,042	1,557,688	1,803,726
571,316	880,508	902,483	765,363	663,780	576,370
<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>	<u>\$ 54,901,140</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)

Fiscal Year	Town Direct Rate	Douglas County	State of Colorado
2011	4.0%	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%
2020	4.0%	1.0%	2.9%

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	2020			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Food & General Merchandise	95	2.16%	\$ 16,126,637	29.37%
Misc Retail	1,243	28.22%	7,462,776	13.59%
Hotels, Restaurants & Bars	238	5.40%	6,048,091	11.02%
Apparel & Accessories	163	3.70%	5,824,649	10.61%
Home & Garden	76	1.73%	4,527,502	8.25%
Autos & Auto Items	125	2.84%	2,377,799	4.33%
Utilities	3	0.07%	2,186,038	3.98%
Agricultural and Construction	178	4.04%	1,803,726	3.29%
Audit Revenue	1	0.02%	1,759,921	3.21%
Furniture & Home Décor	132	3.00%	1,730,813	3.15%
Communications	-	0.00%	-	0.00%
Total top ten categories	2,254	51.17%	\$ 49,847,951	90.80%
All other categories	2,151	48.83%	\$ 5,053,189	9.20%
Total	4,405	100.00%	\$ 54,901,140	100.00%

Source: Town of Castle Rock Sales Tax Department

2011

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
78	2.41%	\$ 8,257,628	30.36%
727	22.43%	2,591,034	9.53%
163	5.03%	3,053,783	11.23%
159	4.91%	5,004,730	18.40%
95	2.93%	1,762,161	6.48%
104	3.21%	1,231,105	4.53%
4	0.12%	1,830,558	6.73%
-	0.00%	-	0.00%
1	0.03%	314,205	1.16%
109	3.36%	485,242	1.78%
181	5.58%	1,197,043	4.40%
<u>1,621</u>	<u>50.02%</u>	<u>\$ 25,727,489</u>	<u>94.60%</u>
1,620	49.98%	\$ 1,469,465	5.40%
<u>3,241</u>	<u>100.00%</u>	<u>\$ 27,196,954</u>	<u>100.00%</u>



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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
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	-
2020	27,213,771	16,678,982	-	-	58,846,031	-

(1) Presented net of discounts and premiums

(2) Personal income is disclosed on Table 22

(3) US Census Bureau

Capital Leases		Notes Payable	Total Government	Percentage of Personal Income (2)	Population (3)	Per Capita
\$	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
	243,389	9,000,000	111,982,173	3.34%	75,857	1,476

TOWN OF CASTLE ROCK, COLORADO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

TABLE 16 (UNAUDITED)

Year	Population	Gross General Obligation Bonds	Net Bonded Debt	Percent of Assessed Property Tax Value	Per Capita
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%	-
2020	75,857	-	-	0%	-

Source: Town of Castle Rock Finance Department.

TOWN OF CASTLE ROCK, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2020

TABLE 17 (UNAUDITED)

	Assessed Valuation	Bonds Outstanding	Applicable Net Debt %	Amount
Governmental Entity				
Overlapping Debt: ⁽¹⁾				
Douglas County School District Re-1	\$ 7,470,076,990	\$ 419,585,000	15.908%	\$ 66,748,487
Castle Oaks Metro District #1, 3, 4	57,698,360	49,375,000	100.000%	49,375,000
Castle Pines Commercial Metro #1, 3, 4	21,386,220	5,365,000	100.000%	5,365,000
Castlevue Metro #2	924,910	3,693,000	100.000%	3,693,000
Castlewood Ranch Metro District	42,292,430	15,180,000	100.000%	15,180,000
Crystal Crossing Metro District	10,757,330	8,185,000	100.000%	8,185,000
Crystal Valley Metro District #2	69,953,320	56,110,000	100.000%	56,110,000
Maher Ranch Metro District #4	35,195,900	17,162,000	100.000%	17,162,000
Meadows Metro District #1, 2, 7	139,042,230	70,000,000	100.000%	70,000,000
Villages at Castle Rock Metro District #7	27,420,130	480,000	100.000%	480,000
Subtotal, overlapping debt	<u>\$ 7,874,747,820</u>	<u>\$ 645,135,000</u>		<u>\$ 292,298,487</u>
The Town of Castle Rock direct debt ⁽²⁾				<u>44,096,490</u>
Total direct and overlapping debt				<u><u>\$ 336,394,977</u></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 #2 and #5, Castle Rock Fire Protection, Castleton Center Water and Sanitation, Cedar Hill Cemetery, Cherry Creek Basin Water Quality Authority, Crystal Valley Metro #1, Dawson Ridge Metro #1-5, Douglas County, Douglas County Law Enforcement Authority, Douglas County Public Library, Founders Village Metro, Hillside at Castle Rock Metro, Lanterns Metro #1-5, Meadows Metro #3-6, Promenade at Castle Rock Metro #1-3, Silver Heights Water and Sanitation, Villages at Castle Rock Metro #4, #6 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 1,188,355,970
Assessed Valuation

*Plum Creek Metro District dissolved in December 2015

TOWN OF CASTLE ROCK, COLORADO

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

TABLE 18 (UNAUDITED)

Estimated Actual Property Value: \$ 11,905,218,264

Debt Limit:

3% of Estimated Actual Real Estate Value \$ 357,156,548

Amount of Debt Applicable to Debt Limit:

Gross debt \$ 111,982,173

Less:	Sales Tax Revenue Bonds	\$	(27,213,771)	
	Parks Capital COP's		(16,678,982)	
	Lease Purchase Agreements		(243,389)	
	Golf Course Revenue Bonds		(3,125,000)	
	Water & Wastewater Revenue Bonds		(55,721,031)	
	Notes Payable		(9,000,000)	
	Total			(111,982,173)

Total Debt Applicable to Debt Limit -

Legal Debt Margin \$ 357,156,548

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
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%
2020	357,156,548	-	357,156,548	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 ⁽¹⁾	Annual Debt Service				Maximum Annual Debt Service	
		Principal	Interest	Total	Coverage Ratio ⁽²⁾	Principal and Interest ⁽³⁾	Coverage Ratio ⁽²⁾
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
2020	23,209,405	1,145,000	992,793	2,137,793	10.86	2,257,375	10.28

(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		Net Pledged Revenue ⁽³⁾	Annual Debt Service			Coverage Ratio ⁽⁵⁾	Max Annual Debt Service	
	Resources ⁽¹⁾	Expenses ⁽²⁾		Principal	Interest	Total		Principal and Interest ⁽⁴⁾	Coverage Ratio ⁽⁵⁾
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
2020	72,397,608	27,925,784	44,471,824	3,630,000	2,154,083	5,784,083	7.69	5,866,200	7.58

(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				Annual Debt Service				Max Annual Debt Service	
	Gross Resources ⁽¹⁾	Expenses ⁽²⁾	Net Pledged Revenue ⁽³⁾	Principal	Interest	Total	Coverage Ratio ⁽⁴⁾	Principal and Interest ⁽⁵⁾	Coverage Ratio ⁽⁶⁾
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
2020	3,721,212	2,685,504	1,035,708	400,000	99,862	499,862	2.07	500,815	2.07

(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 ⁽²⁾ (Thousands of Dollars)	Per Capita Income		Median Age	
2011	49,949	(1)	\$ 20,801,664	\$ 47,147	(5)	33.8	(5)
2012	51,573	(1)	21,737,873	47,147	(5)	33.8	(5)
2013	54,238	(1)	22,858,414	47,147	(5)	33.8	(5)
2014	56,645	(1)	23,175,877	47,147	(5)	33.8	(5)
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	(6)	22,063,919	38,610	(1)	34.6	(1)
2018	69,338	(6)	23,875,828	40,236	(1)	34.8	(1)
2019	72,168	(6)	25,249,718	42,611	(1)	35.2	(1)
2020	75,857	(6)	27,549,902	44,250	(1)	35.8	(1)

Sources:

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

Average Household Size		Unemployment Rate ⁽³⁾	Public School Enrollment ⁽⁴⁾
2.86	(5)	6.0%	12,686
2.86	(5)	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
2.89	(1)	2.4%	12,745

TOWN OF CASTLE ROCK, COLORADO

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO TABLE 23 (UNAUDITED)

Company	2020		
	Number of FTEs*	Rank	Percentage of Total Town Employment
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%
Wal-Mart	251-500	5	3%
Castle Rock Homes / Keller Williams	400	6	2%
Elite Surface Infrastructure	251-350	7	2%
Kohl's	101-250	8	1%
Brookside Inn	101-250	9	1%
Sam's Club	101-250	10	1%
Kroger / King Soopers	101-250	n/a	-
Medved Autoplex	101-250	n/a	-
Philip S. Miller Library	101-250	n/a	-
Lowe's	101-250	n/a	-
Home Depot	101-250	n/a	-

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

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

2011		
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	-
251-500	4	4%
n/a	n/a	-
n/a	n/a	-
n/a	n/a	-
101-250	6	2%
n/a	n/a	-
101-250	5	2%
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	2020	
			Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
<u>Utilities</u>				
Public Service Co of Colorado (XCEL)	Telecommunications	1	\$ 74,786,500	6.29%
Intermountain Rural Electric Assoc	Electric	2	73,702,510	6.20%
QWEST Corporation / Centurylink Communications	Telecommunications	3	38,745,600	3.26%
Burlington Northern Santa Fe Railway Company	Railroad	4	13,362,810	1.12%
Union Pacific Corp.	Railroad	5	10,695,300	0.90%
Black Hills Colorado Gas Inc	Gas	7	5,999,100	0.50%
AT&T Mobility LLC	Telecommunications	9	5,463,460	0.46%
Cellco Partnership	Telecommunications	10	4,828,700	0.41%
Comcast of Colorado X LLC	Telecommunications	n/a	-	0.00%
Verizon Wireless (VAW) LLC	Telecommunications	n/a	-	0.00%
TOTAL UTILITIES			<u>\$ 227,583,980</u>	<u>19.15%</u>
<u>Non-Utility</u>				
Dillon Companies Inc	Commercial	6	\$ 9,408,590	0.79%
Craig Realty Group Castle Rock, LLC	Commercial	8	6,435,600	0.54%
Castle Rock Development Company	Commercial	n/a	<u>-</u>	<u>0.00%</u>
TOTAL NON-UTILITY			<u>\$ 15,844,190</u>	<u>1.33%</u>
Other Taxpayers			\$ 944,927,800	80%
Assessed Valuation			\$ 1,188,355,970	100%

Source: Douglas County Treasurer's Office

2011		
Rank	Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
3	\$ 40,741,200	7.02%
2	43,139,000	7.43%
1	46,968,800	8.09%
6	6,918,300	1.19%
7	5,831,400	1.00%
n/a	-	0.00%
8	5,281,510	0.91%
n/a	-	0.00%
10	4,676,250	0.81%
5	7,173,300	1.24%
	<u>\$ 160,729,760</u>	<u>27.68%</u>
n/a	\$ -	0.00%
4	18,898,990	3.25%
9	<u>5,237,470</u>	<u>0.90%</u>
	<u>\$ 24,136,460</u>	<u>4.16%</u>
	\$ 395,789,920	68.16%
	\$ 580,656,140	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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
General government	61	64	67	70	81	78	97	90	96	96
Public safety	145	141	161	161	163	174	189	205	219	223
Public works	41	39	40	38	40	38	47	54	63	56
Cultural and recreation	20	20	21	21	21	25	28	30	30	29
Water	41	41	47	47	55	59	67	66	75	80
Water resources	2	2	2	3	3	4	6	8	7	7
Wastewater	7	5	5	4	4	3	4	5	8	7
Stormwater	6	4	5	8	8	10	11	11	10	10
Golf	6	6	6	6	8	8	12	10	11	10
Community center	16	16	15	16	16	17	20	26	22	21
Development services	13	9	23	28	32	41	49	54	49	54
Total	358	347	392	402	431	454	530	558	590	593

Source: Town of Castle Rock Finance Department

TOWN OF CASTLE ROCK, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 26 (UNAUDITED)

	2011	2012	2013
Function/Program			
<u>Governmental activities:</u>			
General government			
Number of payroll checks issued	14,746	15,167	16,012
Number of new employees hired	28	30	73
Number of resolutions passed	84	82	86
Number of ordinances passed	35	31	40
Public safety			
Number of arrests	1,177	380	1,248
Number of police calls	52,267	56,266	64,116
Number of fire calls	62	77	75
Number of medical calls	2,303	2,539	2,651
Public works			
Number of snow removal hours	5,558	3,442	5,016
Culture and recreation			
Number of golf rounds	31,987	36,201	33,811
Recreation center attendance	260,397	290,772	304,343
<u>Business-type activities:</u>			
Water			
Number of customer accounts	15,702	16,520	17,391
Average daily consumption - million gallons	5.85	6.56	6.14
Development Services			
Number of new construction permits issued	331	539	847
Number of remodel permits issued	1,964	5,200	3,414

(1) Includes attendance for new Miller Activity Complex.

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

2014	2015	2016	2017	2018	2019	2020
17,889	18,816	20,231	21,201	22,176	23,665	20,876
44	65	70	69	72	66	70
110	112	114	105	105	133	125
37	60	42	30	43	42	24
1,891	1,271	1,358	1,657	1,561	1,391	1,042
71,062	73,827	73,290	71,690	69,411	69,234	63,753
56	61	78	89	100	75	98
2,812	3,199	3,204	3,529	3,418	3,672	3,370
8,102	7,703	4,597	3,364	2,060	7,728	4,706
35,053	35,086	39,926	40,002	40,756	38,837	43,350
311,209	318,989	435,810 (1)	395,595	374,555	316,473	218,136
18,132	18,961	19,430	20,662	21,878	21,189	23,989
6.06	6.49	7.11	7.27	7.88	7.78	8.85
828	928	1,212	1,031	1,785	1,043	1,234
2,820	2,907	6,954	2,706	2,260	3,887	3,889

TOWN OF CASTLE ROCK, COLORADO

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 27 (UNAUDITED)

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

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

2015	2016	2017	2018	2019	2020
11	11	11	13	16	17
1	1	1	1	1	1
34	37	39	40	45	47
4	4	4	5	5	5
619	646	667	689	695	711
31	36	38	42	43	44
521	630	639	668	876	876
533	585	606	611	612	619
2,778	2,877	2,931	2,925	3,040	2,934
4	4	4	4	4	4
1	1	1	1	1	1
7	7	7	12	12	10
24	24	24	20	20	22
390	393	401	420	455	470
270	271	275	288	303	309
143	143	149	157	170	179

TOWN OF CASTLE ROCK, COLORADO

MISCELLANEOUS STATISTICS

AS OF DECEMBER 31, 2020

TABLE 28 (UNAUDITED)

Date of incorporation	1881
Home rule charter adopted	1987
Form of government	Council - Manager
Area - Square miles	34.74
Population (estimate)	75,857
Fire Protection	
Number of stations	5
Number of paid firefighters	93
Number of volunteer firefighters	5
Police Protection	
Number of stations	1
Number of commissioned officers	80
Number of reserve officers	0
Education - Douglas County School District	
Number of students (Castle Rock schools)	12,745
Number of charter schools	3
Number of magnet schools	1
Number of elementary schools	9
Number of middle schools	2
Number of high schools	4
Building permits issued (includes new construction and remodel)	5,123
Building permits value	\$60,876,118
Employees: (excluding Police and Fire)	
Full-time	362
Part-time	525

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



COMPLIANCE SECTION

Local Highway Finance Report

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _)	
Prepared By: Phone:	

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	15,171,378
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	3,155,283
2. General fund appropriations	213,300	b. Snow and ice removal	
3. Other local imposts (from page 2)	39,367,864	c. Other	28,636,726
4. Miscellaneous local receipts (from page 2)	19,157,740	d. Total (a. through c.)	31,792,009
5. Transfers from toll facilities		4. General administration & miscellaneous	370,141
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	213,300
a. Bonds - Original Issues		6. Total (1 through 5)	47,546,828
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	993,393
7. Total (1 through 6)	58,738,904	b. Redemption	1,145,000
B. Private Contributions		c. Total (a. + b.)	2,138,393
C. Receipts from State government (from page 2)	2,513,469	2. Notes:	
D. Receipts from Federal Government (from page 2)	152,457	a. Interest	
E. Total receipts (A.7 + B + C + D)	61,404,830	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	2,138,393
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	49,685,221

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	25,235,000	18,550,000	17,570,000	26,215,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	19,915,125	61,404,830	49,685,221	31,634,734	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2020	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	416,441
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	24,425,178	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	12,479,450	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,463,236	g. Other Misc. Receipts	
6. Total (1. through 5.)	39,367,864	h. Other	18,741,299
c. Total (a. + b.)	39,367,864	i. Total (a. through h.)	19,157,740
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,883,556	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 GRANTS	629,913	f. Other Federal	152,457
f. Total (a. through e.)	629,913	g. Total (a. through f.)	152,457
4. Total (1. + 2. + 3.f)	2,513,469	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	744,707	7,955,672	8,700,379
c. Construction:			
(1). New Facilities		165,201	165,201
(2). Capacity Improvements	655,458	13,514	668,972
(3). System Preservation		4,648,246	4,648,246
(4). System Enhancement & Operation		988,581	988,581
(5). Total Construction (1) + (2) + (3) + (4)	655,458	5,815,541	6,470,999
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	1,400,165	13,771,213	15,171,378
			(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