



**Financial Statements
December 31, 2019**

**City of Salida, Colorado
Financial Statements
December 31, 2019**

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May 26, 2020

To the Honorable Mayor, Members of the City Council and Citizens of the City of Salida:

State law requires that every general purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McMahan and Associates, LLC, a firm of licensed Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Salida's financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of Salida, incorporated in 1880, is known as the "Heart of the Rockies." Salida is located approximately two to three hours from the more densely populated urban "front range" communities of Colorado, such as Colorado Springs, Denver and Boulder. Salida is the county seat of Chaffee County and its largest city, with a population of approximately 5,600. The City is the service, supply, and tourism center for the Upper Arkansas River Valley in central Colorado. Although flanked by majestic 14,000-foot snow-capped peaks, at just over 7,000 feet in elevation, Salida enjoys a surprisingly mild climate that some refer to as the Banana Belt. Salida has a relaxed pace and a small hometown feel along with world-class recreational opportunities.

The City limits currently occupy just over 2.2 square miles. The City of Salida is empowered to levy a property tax on real property located within its boundaries, but the tax was repealed in 2008. It relies primarily on sales tax revenue to provide government services. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

Salida is organized as a statutory city under the constitution of the State of Colorado that follows the mayor-council form of government. The Mayor, the Treasurer and six Council members are directly elected. There are three wards in the City, and two Council members represent each ward, serving staggered four-year terms. Policy-making and legislative authority are vested in the governing body consisting of the Mayor and six Council members. Council members serve four-year terms, with three members elected every two years. The Mayor is elected for a two-year term. According to Colorado statutes, officials elected to two-year terms are eligible for three

terms. Council members and the Treasurer are elected to four-year terms and are limited to two terms. The City Council appoints the City Administrator, who in turn appoints department heads.

Services provided by municipalities vary widely. Although citizens have many of the same services available to them in any incorporated area, some may be served by a special district or other governmental entity. Therefore, one town or city may not be directly comparable to another. It is important that readers of the financial statements and budgets know what services the City provides in order to understand the reports. The broad services provided by Salida's employees across the various funds (described below) include the following:

- Public safety –
 - 24/7 police protection, vehicle, bicycle and foot patrol, crime prevention and law enforcement; vehicle identification number inspections, school safety, special event support, DUI awareness programs, drug task force, regional preparedness, E911 board representation
 - 24/7 professional fire response (structural and wildland), emergency medical services, hazardous material response, technical rescue (ice, swift water, confined space, high and low angles), installation of smoke detectors, inspections and plans reviews, code enforcement, fire prevention and CPR classes, fireworks displays, staffing for fire protection district, regional preparedness and various other education and civic activities
- Public works – operation, maintenance and improvement of streets, alleys, walkways, parking lots, parks, play features, public structures, underground distribution or collection lines and appurtenances, trees, and other public infrastructure
- Water and Wastewater plant operations – Treatment and distribution of municipal water; collection, treatment and safe discharge of wastewater (including wastewater services for the Town on Poncha Springs); lab testing, acceptance and treatment of outside septage
- Community development – land use and zoning, review of development plans, subdivisions, building permits and sign permits, long range and current planning, historic preservation, grant writing and reporting
- Parks and recreation – swimming pool, lessons, fitness and recreation programs, and maintenance of park facilities, sports complexes, and trails
- Arts and culture – services for an events center, activities and special events for community members of all ages, liaison with outside organizations (chamber of commerce, small business association, etc.), and a cultural district
- Administrative services – liquor, marijuana and arborists licensing, vendor and special event permitting, billing and collection of water and wastewater services, protection of water rights, birth and death certificates, municipal court, grant writing and reporting, intergovernmental facility management, payroll, accounts payable, accounts receivable, budgeting, financial reporting, human resources, legal, cash management / treasury, risk management, records management, public information, meeting coordination, and other general government and administrative services

Water treatment and distribution and wastewater collection and treatment services are provided through an enterprise fund. In addition, the SteamPlant Event Center was established as an enterprise fund. See the MD&A for an explanation about different types of funds.

The Council is required to adopt an initial budget for the fiscal year no later than December 31 preceding the beginning of the fiscal year on January 1. This annual budget serves as the foundation for the City of Salida's financial planning and control. The budget is prepared by fund, function or department (e.g., police). Department heads may transfer resources within a

department as they see fit. Transfers between departments, however, need special approval from the governing council in the form of a resolution.

The City of Salida serves as a shopping hub for the surrounding small towns and rural areas. Tourism is a major contributor to the local economy. Sales tax revenue peaks in the "summer season" of June to September, with July being the strongest month. Salida is a short drive from the Monarch Ski area, which draws winter visitors to the area and contributes to the local economy. However, February, which falls in the middle of the "ski season" is the slowest month for collections. Increasingly, Salida is experiencing growth in sales tax collections during the "shoulder season" defined as April-May and October-November when the weather is typically suitable for many outdoor activities that attract visitors to the area.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the finance and administration department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Salida.

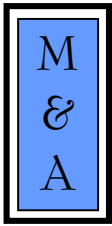
Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Drew Nelson', with a long horizontal flourish extending to the left.

Drew Nelson
City Administrator

A handwritten signature in blue ink, appearing to read 'Aimee Tihonovich', written in a cursive style.

Aimee Tihonovich
Finance Director



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council City of Salida

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 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 of material misstatement.

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

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

Opinions

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

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Salida

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

U. S. generally accepted accounting principles require that the Schedule of City's Proportionate Share of the Net Pension Liability, the Schedule of Changes in Net Pension Asset / Liability, and the Schedules of City Contributions in Section E, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Schedule of City's Proportionate Share of the Net Pension Liability, the Schedule of Changes in Net Pension Asset / Liability, and the Schedules of City Contributions in Section E in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Salida

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 4, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As Management of the City of Salida, we offer readers of the City of Salida's financial statement this narrative overview and analysis of the financial activities of the City of Salida for the fiscal year ended December 31, 2019. Please read in conjunction with the accompanying financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Salida exceeded its liabilities at the close of the most recent fiscal year by \$57,877,592 (net position). Of this amount, \$11,733,477 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Salida's total net position increased by \$1,516,420 due mostly to a thriving local economy as evidenced by a 13.1% increase in tax revenues.
- At the close of the current fiscal year, the City of Salida's governmental funds reported combined fund balances of \$6,543,726, an increase of \$1,182,305 (22.1%) in comparison with the prior year. Approximately 88.0% of this amount (\$5,758,541) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$5,477,983, or approximately 66.9% of total general fund expenditures.
- The City of Salida's total outstanding long-term debt increased by \$112,948 during the current fiscal period due largely to an increase in net pension liability and a new capital lease for a street sweeper.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Salida's basic financial statements. The City of Salida's basic financial statements consist of three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

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

The *statement of net position* presents financial information on all of the City of Salida's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Salida is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Salida that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Salida include general government, public safety, public works/streets, and culture, parks and recreation. The business-type activities of the City of Salida include water, sewer and an event center.

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

Fund Financial Statements

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

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

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

The City of Salida maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all six funds (the general fund, the Street Fund, the Capital Improvement Fund, the Economic Development Fund, the Lodging Tax Fund and the Conservation Trust Fund).

The basic governmental fund financial statements can be found on pages C3 to C6 of this report.

Proprietary Funds. The City of Salida maintains three proprietary funds, all are *enterprise funds*. Enterprise funds are used to report the same functions presented as *business-type*

activities in the government-wide financial statements. The City of Salida uses enterprises funds to account for its Water, Sewer and SteamPlant event center operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages C7 to C9 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages D1 to D28 of this report.

Other Information

The City of Salida adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement for the governmental funds is provided in the *required supplementary information* section. The City of Salida also presents *required supplementary information* concerning the City of Salida's progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found on pages E1 to E16

Finally, budget comparison statements for proprietary funds are presented in the *supplementary information* section as well as the Local Highway Finance Report filed with the State of Colorado. This supplemental information can be found on pages F1 to F7 of this report.

Government-wide Overall Financial Analysis

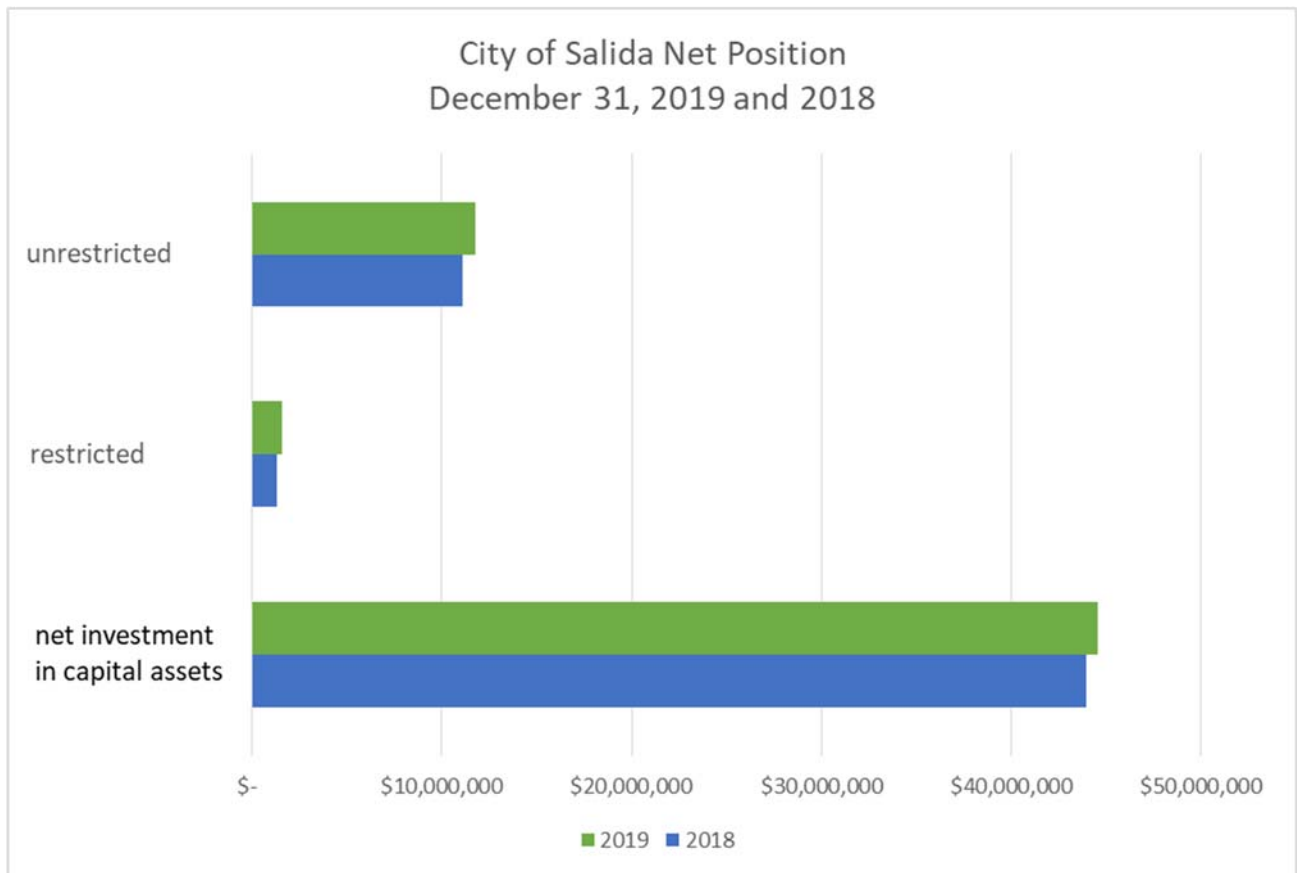
As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Salida, assets and deferred outflows of resources exceeded liabilities by \$57,877,592.

	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 6,975,164	\$ 6,217,685	\$ 7,410,481	\$ 7,745,467	\$ 14,385,645	\$ 13,963,152
Capital Assets	26,684,823	25,722,575	31,703,650	32,398,802	58,388,473	58,121,377
Total Assets	33,659,987	31,940,260	39,114,131	40,144,269	72,774,118	72,084,529
Total Deferred outflows of resources	1,280,377	577,740	-	-	1,280,377	577,740
Long-term liabilities	2,369,235	1,842,552	12,600,030	12,452,970	14,969,265	14,295,522
Other liabilities	505,793	723,128	637,944	1,088,805	1,143,737	1,811,933
Total liabilities	2,875,028	2,565,680	13,237,974	13,541,775	16,113,002	16,107,455
Total Deferred inflows of resources	63,901	193,642	-	-	63,901	193,642
Net position:						
Net investment in capital assets	25,457,709	24,397,257	19,103,620	19,543,829	44,561,329	43,941,086
Restricted	596,103	415,821	986,683	914,823	1,582,786	1,330,644
Unrestricted	5,947,623	4,945,600	5,785,854	6,143,842	11,733,477	11,089,442
Total net position	\$ 32,001,435	\$ 29,758,678	\$ 25,876,157	\$ 26,602,494	\$ 57,877,592	\$ 56,361,172

By far, the largest portion of the City of Salida's net position (77.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Salida uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Salida's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Salida's net position (2.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,733,477 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Salida is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The City of Salida's overall net position increased by \$1,516,420 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,242,757 from the prior fiscal year for an ending balance of \$32,001,435. The local economy has been booming as tourism is up causing an uptick in sales tax dollars

Business-type Activities. For the City of Salida's business-type activities, net position decreased to an ending balance of \$25,876,157. The total decrease in net position for business-type activities (water, sewer and SteamPlant event center funds) was (\$726,337) or - 2.7% from the prior fiscal year. Service fee revenue was flat while expenses were higher mostly due to higher maintenance work done in the water fund.

City of Salida's Changes in Net Position

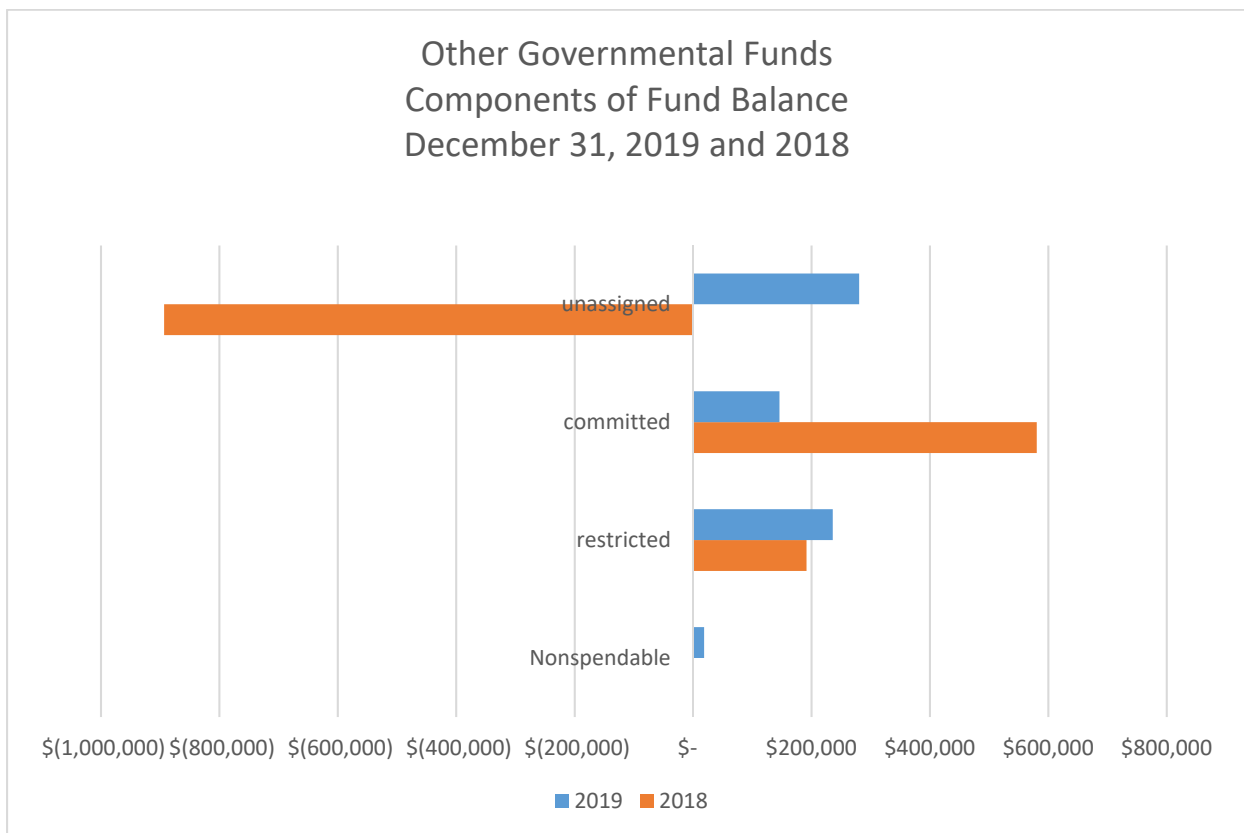
	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues						
Charges for service	\$ 947,631	\$ 890,385	\$ 3,517,281	\$ 3,503,401	\$ 4,464,912	\$ 4,393,786
Operating grants and contributions	104,538	-	903	5,060	105,441	5,060
Capital grants and contributions	371,830	827,689	1,198,157	2,191,124	1,569,987	3,018,813
General revenues:						
Taxes	9,990,335	8,836,639			9,990,335	8,836,639
Unrestricted investment earnings	115,718	75,419	113,413	62,227	229,131	137,646
Capital Contributions	-	3,172,780			-	3,172,780
Other	94,069	214,764			94,069	214,764
Total revenues	<u>11,624,121</u>	<u>14,017,676</u>	<u>4,829,754</u>	<u>5,761,812</u>	<u>16,453,875</u>	<u>19,779,488</u>
Expenses:						
General government	915,020	1,175,900			915,020	1,175,900
Public safety	3,509,183	3,283,906			3,509,183	3,283,906
Public works/streets	3,445,982	1,827,415			3,445,982	1,827,415
Culture, parks and recreation	2,044,294	1,824,233			2,044,294	1,824,233
Interest on long term debt	42,165	37,263			42,165	37,263
Water			1,799,018	1,286,580	1,799,018	1,286,580
Sewer			2,434,702	2,365,047	2,434,702	2,365,047
Event center			747,091	715,902	747,091	715,902
Total expenses	<u>9,956,644</u>	<u>8,148,717</u>	<u>4,980,811</u>	<u>4,367,529</u>	<u>14,937,455</u>	<u>12,516,246</u>
Increase (decrease) in net position before transfers	1,667,477	5,868,959	(151,057)	1,394,283	1,516,420	7,263,242
Transfers	575,280	(1,127,948)	(575,280)	1,127,948	-	-
Increase (decrease) in net position	2,242,757	4,741,011	(726,337)	2,522,231	1,516,420	7,263,242
Net position-beginning	29,758,678	25,017,667	26,602,494	24,080,263	56,361,172	49,097,930
Net position-ending	<u>\$ 32,001,435</u>	<u>\$ 29,758,678</u>	<u>\$ 25,876,157</u>	<u>\$ 26,602,494</u>	<u>\$ 57,877,592</u>	<u>\$ 56,361,172</u>

Financial Analysis of Governmental Funds

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

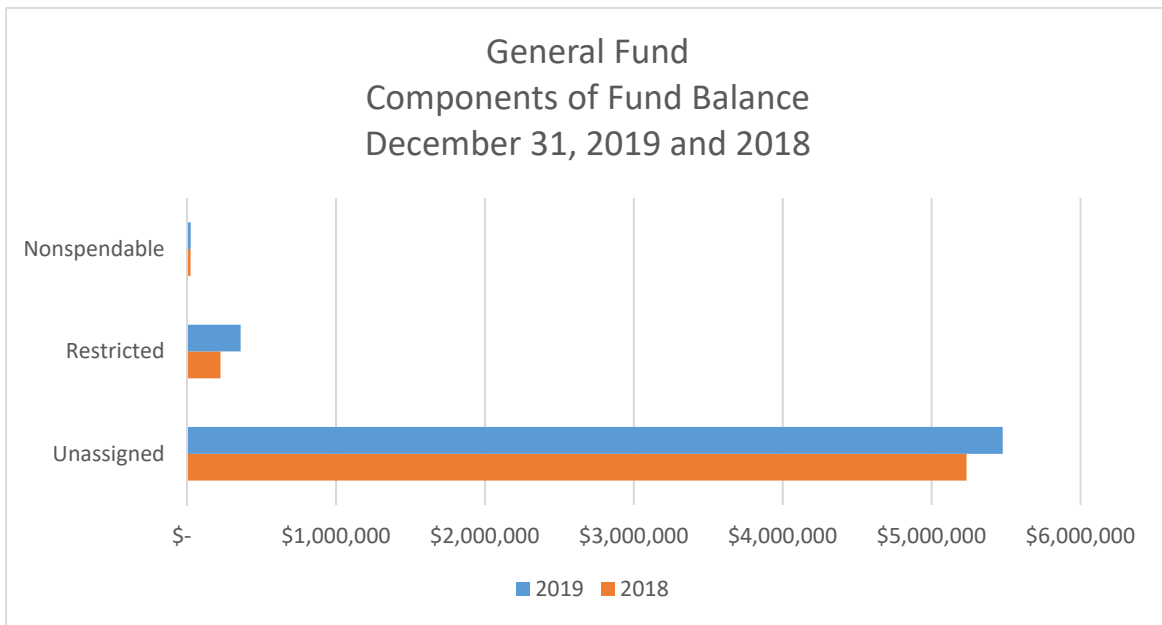
Governmental Funds. The focus of the City of Salida’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Salida’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City of Salida itself.

At December 31, 2019, the City of Salida’s governmental funds reported combined fund balances of \$6,543,726, an increase of 1,182,305 in comparison with the prior year. Approximately 88.0% of this amount (\$5,758,541) constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, or *committed* to indicate that it is 1) not in spendable form (\$43,066), 2) legally required to be maintained intact (\$360,000), 3) restricted for particular purposes (\$236,103), or committed for particular purposes (\$146,016).



The streets fund, which is a fund established in 2017 by a vote of the people and financed by a reallocation of sales tax out of the general fund and into the streets fund has now been able to reverse its negative capital gain position from last year as a result of sales tax revenue collections “catching up” on large street maintenance spending in 2017.

The general fund is the chief operating fund of the City of Salida. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,477,983, while total fund balance increased by \$380,099 to \$5,864,456. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 66.9% percent of total general fund expenditures, while total fund balance represents approximately 71.6% of that same amount.



Proprietary Funds. The City of Salida's proprietary funds Statement of Net Position on page C7 provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water fund at the end of the year was \$3,774,655, \$2,108,224 for the sewer fund and (\$97,025) for the SteamPlant event center. Total (decline) in net position was (\$130,917), (\$304,953), and (\$290,467) respectively. Water and sewer fund service fees have not been increased in a number of years and growth in the community is beginning to require increased investments in these systems, a fee increase was approved by council to go into effect January 2020.

General Fund Budgetary Highlights

Original budget compared to final budget. Actual revenues exceeded budgeted revenues in the general fund by \$506,161 and actual expenses excluding interfund transfers were \$245,651 less than budget.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City of Salida and were considered in developing the 2020 fiscal year budget.

- 2019 sales tax rose 12.6% over the previous year partially due to law changes that require online vendors to collect and pay sales tax to municipalities and also due to high tourism. The 2020 budget was set to increase 3% over 2019.
- The most recent population estimate for Salida (2018) according to the U.S. Census Bureau is 5,986 which is a 13.8% increase from the April 1, 2010 census.
- According to Zillow real estate, average home values in Salida are \$415,518, up 3.9% over the past year.

During the current fiscal year, the unassigned fund balance in the general fund was \$5,477,983. The City of Salida has appropriated \$2,261,000 of this amount for spending in the 2020 fiscal year budget for the purpose of investing in some community projects that will ensure our infrastructure is healthy and that we have the amenities to continue to attract tourists.

Request for Information

This financial report is designed to provide a general overview of the City of Salida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Aimee.Tihonovich@CityofSalida.com.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments	5,282,483	5,644,157	10,926,640
Restricted cash	-	986,683	986,683
Receivables (net of allowance)	1,649,615	746,295	2,395,910
Inventories	-	4,900	4,900
Prepays	43,066	28,446	71,512
Capital assets not being depreciated:			
Land and right-of-way	4,722,477	89,435	4,811,912
Water rights	-	1,391,521	1,391,521
Construction in progress	176,022	48,945	224,967
Capital assets being depreciated, net of accumulated depreciation	21,786,324	30,173,749	51,960,073
Total Assets	<u>33,659,987</u>	<u>39,114,131</u>	<u>72,774,118</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	<u>1,280,377</u>	<u>-</u>	<u>1,280,377</u>
Liabilities:			
Accounts payable and other current liabilities	422,853	444,938	867,791
Retainage payable	-	28,282	28,282
Interest payable	-	67,579	67,579
Accrued compensated absences	74,356	14,329	88,685
Unearned revenue	8,584	82,816	91,400
Noncurrent liabilities:			
Due within one year	210,818	409,944	620,762
Due in more than one year	976,333	12,190,086	13,166,419
Net pension liability	1,182,084	-	1,182,084
Total Liabilities	<u>2,875,028</u>	<u>13,237,974</u>	<u>16,113,002</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	<u>63,901</u>	<u>-</u>	<u>63,901</u>
Net Position:			
Net investment in capital assets	25,457,709	19,103,620	44,561,329
Restricted for:			
Emergencies	360,000	-	360,000
Parks and recreation	236,103	-	236,103
Debt service	-	986,683	986,683
Unrestricted	5,947,623	5,785,854	11,733,477
Total Net Position	<u>32,001,435</u>	<u>25,876,157</u>	<u>57,877,592</u>

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

CITY OF SALIDA, COLORADO
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	915,020	193,202	77,939	359,335	(284,544)	-	(284,544)
Public safety	3,509,183	202,702	26,599	-	(3,279,882)	-	(3,279,882)
Public works/Streets	3,445,982	26,733	-	12,495	(3,406,754)	-	(3,406,754)
Culture, parks and recreation	2,044,294	524,994	-	-	(1,519,300)	-	(1,519,300)
Interest on long-term debt	42,165	-	-	-	(42,165)	-	(42,165)
Total governmental activities	<u>9,956,644</u>	<u>947,631</u>	<u>104,538</u>	<u>371,830</u>	<u>(8,532,645)</u>	<u>-</u>	<u>(8,532,645)</u>
Business-type activities:							
Water	1,799,018	1,746,298	-	516,609	-	463,889	463,889
Sewer	2,434,702	1,378,262	-	677,548	-	(378,892)	(378,892)
Steamplant Event Center	747,091	392,721	903	4,000	-	(349,467)	(349,467)
Total business-type activities	<u>4,980,811</u>	<u>3,517,281</u>	<u>903</u>	<u>1,198,157</u>	<u>-</u>	<u>(264,470)</u>	<u>(264,470)</u>
Total Primary Government	<u>14,937,455</u>	<u>4,464,912</u>	<u>105,441</u>	<u>1,569,987</u>	<u>(8,532,645)</u>	<u>(264,470)</u>	<u>(8,797,115)</u>
General revenues:							
Taxes:							
Sales taxes					6,609,399	-	6,609,399
Sales taxes - County					2,303,168	-	2,303,168
Franchise taxes					345,904	-	345,904
Occupation taxes					337,316	-	337,316
Other taxes					394,548	-	394,548
Unrestricted investment earnings					115,718	113,413	229,131
Miscellaneous					76,441	-	76,441
Gain on sale of assets					17,628	-	17,628
Transfers					575,280	(575,280)	-
Total general revenues, special items, and transfers					<u>10,775,402</u>	<u>(461,867)</u>	<u>10,313,535</u>
Change in Net Position					2,242,757	(726,337)	1,516,420
Net position - beginning					<u>29,758,678</u>	<u>26,602,494</u>	<u>56,361,172</u>
Net position - ending					<u>32,001,435</u>	<u>25,876,157</u>	<u>57,877,592</u>

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

FUND FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Street Fund</u>	<u>Capital Improvement Fund</u>	<u>Economic Development Fund</u>	<u>Lodging Tax Fund</u>	<u>Conservation Trust Fund</u>	<u>Total Governmental Funds</u>
Assets							
Cash and cash equivalents	4,511,148	410,110	-	125,122	-	236,103	5,282,483
Receivables, net:							
Taxes receivable	1,572,530	-	-	-	-	-	1,572,530
Accounts receivable	-	15,416	-	-	-	-	15,416
Intergovernmental	12,169	-	49,500	-	-	-	61,669
Prepaid items	24,454	-	-	18,612	-	-	43,066
Total Assets	<u>6,120,301</u>	<u>425,526</u>	<u>49,500</u>	<u>143,734</u>	<u>-</u>	<u>236,103</u>	<u>6,975,164</u>
Liabilities:							
Accounts payable	183,339	144,018	28,606	-	-	-	355,963
Accrued wages and benefits	11,028	950	-	-	-	-	11,978
Accrued liabilities	8,251	-	-	-	-	-	8,251
Customer deposits	46,662	-	-	-	-	-	46,662
Unearned revenue	8,584	-	-	-	-	-	8,584
Total Liabilities	<u>257,864</u>	<u>144,968</u>	<u>28,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,438</u>
Fund Balances							
Nonspendable	24,454	-	-	18,612	-	-	43,066
Restricted for:							
Parks and recreation	-	-	-	-	-	236,103	236,103
Emergencies	360,000	-	-	-	-	-	360,000
Committed to:							
Capital outlay	-	-	20,894	-	-	-	20,894
Community and economic development	-	-	-	125,122	-	-	125,122
Unassigned	5,477,983	280,558	-	-	-	-	5,758,541
Total Fund Balances	<u>5,862,437</u>	<u>280,558</u>	<u>20,894</u>	<u>143,734</u>	<u>-</u>	<u>236,103</u>	<u>6,543,726</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>6,120,301</u>	<u>425,526</u>	<u>49,500</u>	<u>143,734</u>	<u>-</u>	<u>236,103</u>	<u>6,975,164</u>

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

CITY OF SALIDA, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended December 31, 2019

Total fund balances - governmental funds	6,543,726	
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Governmental capital assets	44,017,828	
Accumulated depreciation	<u>(17,333,005)</u>	
		26,684,823
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Capital leases	(1,187,150)	
Net pension liability	(1,182,084)	
Compensated absences	<u>(74,356)</u>	
		(2,443,590)
Deferred outflow and inflows of resources related to pensions and net pension assets are applicable to future reporting periods and therefore are not reported in the funds.		
Deferred outflows	1,280,377	
Deferred inflows	<u>(63,901)</u>	
		1,216,476
Total net position - governmental activities		<u><u>32,001,435</u></u>

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

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2019

REVENUES	General Fund	Street Fund	Capital Improvement Fund	Economic Development Fund	Lodging Tax Fund	Conservation Trust Fund	Total Governmental Funds
Taxes	4,176,127	2,128,256	532,064	133,016	337,316	-	7,306,779
Fees for general services	154,798	-	-	-	-	-	154,798
Intergovernmental	2,582,780	285,420	354,335	-	-	65,770	3,288,305
Charges for services	526,047	-	-	-	-	-	526,047
Fines and forfeitures	57,472	-	-	-	-	-	57,472
Interest revenue	112,699	-	-	-	-	3,019	115,718
Other revenues	179,121	3,253	-	5,000	-	-	187,374
Total Revenues	<u>7,789,044</u>	<u>2,416,929</u>	<u>886,399</u>	<u>138,016</u>	<u>337,316</u>	<u>68,789</u>	<u>11,636,493</u>
EXPENDITURES							
Current:							
General government	1,596,987	-	-	121,235	-	-	1,718,222
Public safety	3,394,005	-	-	-	-	-	3,394,005
Public works/streets	723,397	579,929	-	-	-	-	1,303,326
Culture, parks and recreation	1,522,322	-	-	-	-	-	1,522,322
Capital outlay	699,230	1,298,304	1,084,629	-	-	11,699	3,093,862
Debt service:							
Principal	211,401	-	-	-	-	-	211,401
Interest and fiscal charges	42,165	-	-	-	-	-	42,165
Total Expenditures	<u>8,189,507</u>	<u>1,878,233</u>	<u>1,084,629</u>	<u>121,235</u>	<u>-</u>	<u>11,699</u>	<u>11,285,303</u>
Excess of Revenues Over (Under) Expenditures	(400,463)	538,696	(198,230)	16,781	337,316	57,090	351,190
Other Financing Sources (Uses):							
Transfers in	764,726	635,280	180,000	-	-	-	1,580,006
Transfers out	(240,000)	-	-	-	(751,918)	(12,808)	(1,004,726)
Lease proceeds	255,835	-	-	-	-	-	255,835
Total Other Financing Sources (Uses)	<u>780,561</u>	<u>635,280</u>	<u>180,000</u>	<u>-</u>	<u>(751,918)</u>	<u>(12,808)</u>	<u>831,115</u>
Net change in fund balances	380,098	1,173,976	(18,230)	16,781	(414,602)	44,282	1,182,305
Fund balances, beginning of year	<u>5,482,339</u>	<u>(893,418)</u>	<u>39,124</u>	<u>126,953</u>	<u>414,602</u>	<u>191,821</u>	<u>5,361,421</u>
Fund balances, end of year	<u>5,862,437</u>	<u>280,558</u>	<u>20,894</u>	<u>143,734</u>	<u>-</u>	<u>236,103</u>	<u>6,543,726</u>

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

CITY OF SALIDA, COLORADO
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2019

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

Net change in fund balances - total governmental funds		1,182,305
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.		
Capital outlay	2,533,517	
Depreciation expense	<u>(1,558,897)</u>	974,620
Governmental funds reports the loss from the sale of capital assets as an expense. However, in the statement of activities, the loss on the sale of capital assets is reported net of its net book value.		(12,372)
Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		211,401
Lease proceeds provide current financial resources to governmental funds, but are long-term liabilities in the Statement of Net Position.		(255,835)
Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Pension expense	<u>151,647</u>	151,647
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(9,009)
Change in net position of governmental activities		<u><u>2,242,757</u></u>

CITY OF SALIDA, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2019

	Water	Sewer	Steamplant Event Center	Combined Total
Assets				
Current assets:				
Cash	3,322,284	2,321,873	-	5,644,157
Restricted cash	-	986,683	-	986,683
Receivables (net of allowance)	310,738	275,195	-	585,933
Due from other governments	160,362	-	-	160,362
Inventory	-	-	4,900	4,900
Prepays	27,967	479	-	28,446
Total current assets	<u>3,821,351</u>	<u>3,584,230</u>	<u>4,900</u>	<u>7,410,481</u>
Capital assets:				
Land	49,772	39,663	-	89,435
Water rights	1,391,521	-	-	1,391,521
Construction in progress	40,470	8,475	-	48,945
Plant and equipment	17,958,125	26,902,692	2,720,635	47,581,452
Accumulated depreciation	<u>(7,316,891)</u>	<u>(9,199,515)</u>	<u>(891,297)</u>	<u>(17,407,703)</u>
Total capital assets	<u>12,122,997</u>	<u>17,751,315</u>	<u>1,829,338</u>	<u>31,703,650</u>
Total Assets	<u>15,944,348</u>	<u>21,335,545</u>	<u>1,834,238</u>	<u>39,114,131</u>
Liabilities				
Current liabilities:				
Accounts payable	37,462	329,254	56,707	423,423
Accrued wages and benefits	8,289	7,153	3,060	18,502
Accrued liabilities	-	-	17,342	17,342
Retainage payable	-	28,282	-	28,282
Interest payable	945	66,634	-	67,579
Unearned revenue	-	58,000	24,816	82,816
Loans and Bonds payable - current	194,660	215,284	-	409,944
Total current liabilities	<u>241,356</u>	<u>704,607</u>	<u>101,925</u>	<u>1,047,888</u>
Noncurrent liabilities				
Long-term debt (net of current portion):				
Loans payable	708,982	10,446,104	-	11,155,086
Bonds payable	1,035,000	-	-	1,035,000
Total noncurrent liabilities	<u>1,743,982</u>	<u>10,446,104</u>	<u>-</u>	<u>12,190,086</u>
Total liabilities	<u>1,985,338</u>	<u>11,150,711</u>	<u>101,925</u>	<u>13,237,974</u>
Net Position				
Net investment in capital assets	10,184,355	7,089,927	1,829,338	19,103,620
Restricted for debt service	-	986,683	-	986,683
Unrestricted	3,774,655	2,108,224	(97,025)	5,785,854
Total net position	<u>13,959,010</u>	<u>10,184,834</u>	<u>1,732,313</u>	<u>25,876,157</u>

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

CITY OF SALIDA, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Water	Wastewater	Steamplant Event Center	Combined Total
Operating Revenues				
Charges for services	1,745,846	1,378,100	378,034	3,501,980
Other revenues	452	162	14,687	15,301
Total operating revenues	<u>1,746,298</u>	<u>1,378,262</u>	<u>392,721</u>	<u>3,517,281</u>
Operating Expenses				
Administrative	166,382	116,188	-	282,570
Operations	539,370	637,259	649,075	1,825,704
Public Works	594,472	489,324	-	1,083,796
Depreciation	462,568	892,838	98,016	1,453,422
Total operating expenses	<u>1,762,792</u>	<u>2,135,609</u>	<u>747,091</u>	<u>4,645,492</u>
Operating Income (loss)	<u>(16,494)</u>	<u>(757,347)</u>	<u>(354,370)</u>	<u>(1,128,211)</u>
Non-Operating Revenues (Expenses)				
Donations	-	-	903	903
Interest income	37,866	75,547	-	113,413
Interest expense and fiscal charges	(36,226)	(269,144)	-	(305,370)
Total non-operating revenue (expenses)	<u>1,640</u>	<u>(193,597)</u>	<u>903</u>	<u>(191,054)</u>
Income (loss) before contributions and transfers	(14,854)	(950,944)	(353,467)	(1,319,265)
Capital Contributions, Grants and Transfers:				
Development fees and other capital revenue	477,859	677,548	-	1,155,407
Capital grants	38,750	-	4,000	42,750
Gain (Loss) on sale of assets	(17,205)	(11,744)	(1,000)	(29,949)
Transfers (out)	(615,467)	(19,813)	-	(635,280)
Transfers in	-	-	60,000	60,000
Total capital contributions, grants and transfers	<u>(116,063)</u>	<u>645,991</u>	<u>63,000</u>	<u>592,928</u>
Change in net position	(130,917)	(304,953)	(290,467)	(726,337)
Net Position, beginning of year	<u>14,089,927</u>	<u>10,489,787</u>	<u>2,022,780</u>	<u>26,602,494</u>
Net position, end of year	<u><u>13,959,010</u></u>	<u><u>10,184,834</u></u>	<u><u>1,732,313</u></u>	<u><u>25,876,157</u></u>

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

CITY OF SALIDA, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Water	Sewer	Steamplant Event Center	Combined Total
Cash Flows From Operating Activities:				
Cash received from customers, service fees	1,828,291	1,390,464	384,609	3,603,364
Cash paid to suppliers	(1,103,641)	(336,683)	(236,833)	(1,677,157)
Cash paid to employees	(599,496)	(613,313)	(364,423)	(1,577,232)
Net Cash Provided by Operating Activities	<u>125,154</u>	<u>440,468</u>	<u>(216,647)</u>	<u>348,975</u>
Cash Flows From Noncapital Financing Activities:				
Donations	-	-	903	903
Transfers from/(to) other funds	(615,467)	(19,813)	60,000	(575,280)
Net cash flows from noncapital and financing activities	<u>(615,467)</u>	<u>(19,813)</u>	<u>60,903</u>	<u>(574,377)</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase of capital assets	(216,396)	(535,644)	(7,894)	(759,934)
Principal paid on long-term debt	(44,909)	(210,034)	-	(254,943)
Interest paid	(36,454)	(270,456)	-	(306,910)
Development fees and other capital revenue	477,859	677,543	-	1,155,402
Capital grants	207,215	-	4,000	211,215
Net cash flows from capital and related financing activities	<u>387,315</u>	<u>(338,591)</u>	<u>(3,894)</u>	<u>44,830</u>
Cash Flows From Investing Activities				
Interest on investments	37,866	75,547	-	113,413
Net change in cash and cash equivalents	(65,132)	157,611	(159,638)	(67,159)
Cash and cash equivalents, beginning of year	<u>3,387,416</u>	<u>3,150,945</u>	<u>159,638</u>	<u>6,697,999</u>
Cash and Cash Equivalents, End of Year	<u><u>3,322,284</u></u>	<u><u>3,308,556</u></u>	<u><u>-</u></u>	<u><u>6,630,840</u></u>
Reconciliation of Operating Income to net cash provided by operating activities:				
Net operating income/(loss)	(16,494)	(757,347)	(354,370)	(1,128,211)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities				
Depreciation/amortization	462,568	892,838	98,016	1,453,422
Changes in operating assets and liabilities				
(Increase)/decrease in accounts receivable	81,995	18,204	2,240	102,439
(Increase)/decrease in inventory	-	-	(1,986)	(1,986)
(Increase)/decrease in prepaids	(776)	(313)	-	(1,089)
Increase/(decrease) in payables	(382,334)	314,034	60,701	(7,599)
Increase/(decrease) in accrued liabilities	(19,805)	(20,948)	(10,897)	(51,650)
Increase/(decrease) in unearned revenue	-	(6,000)	(10,351)	(16,351)
Total adjustments	<u>141,648</u>	<u>1,197,815</u>	<u>137,723</u>	<u>1,477,186</u>
Net cash flows from operating activities	<u><u>125,154</u></u>	<u><u>440,468</u></u>	<u><u>(216,647)</u></u>	<u><u>348,975</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019

I. Summary of Significant Accounting Policies

The City of Salida, Colorado (the "City"), was incorporated under the laws of the State of Colorado. An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City's major operations include police and fire protection, road maintenance, utilities, and culture and recreation.

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

A. Reporting Entity

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

Based on the criteria above, the City is not financially accountable to any other entity and the City is not a component unit of any other government.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's utilities and event rental services are classified as business activities.

1. Government-wide Financial Statements

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

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Government-wide Financial Statements (continued)

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

The net costs (by function or business-type activity) are normally covered by general revenue (sales and franchise taxes, interest income, etc.).

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

2. Fund Financial Statements

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

The fund focus is on current available resources and budget compliance.

The City reports the following major governmental funds:

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

The City reports the following special revenue funds:

The *Streets Fund* accounts for sales taxes to be used solely for the construction, operating, maintenance and repair of city streets and street-related infrastructure.

The *Capital Improvement Fund* accounts for sales taxes to be used to provide capital improvements, other than streets.

The *Economic Development Fund* accounts for sales taxes to be used for economic development purposes.

The *Lodging Tax Fund* accounts for revenues derived from lodging taxes to be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (Continued)

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

The *Water Fund* accounts for the delivery of water to the citizens of the City.

The *Wastewater Fund* accounts for sewer service to the citizens of the City.

The *SteamPlant Event Center Fund* accounts for event rentals and sales of art pieces.

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days after December 31). Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the City.

Investments are stated at fair value, net asset value, or amortized cost. The change in fair value, net asset value, or amortized cost of investments is recognized as an increase or decrease to investment assets and investment income.

Colorado state statutes permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

4. Prepaid Expenses

Prepaid expenses are amounts paid in the current year for expenses related to subsequent years.

5. Inventory

Inventory consists of supplies for the City’s use and is carried at cost using the first-in, first-out method.

6. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	40
Buildings and improvements	20 - 40
Distribution systems	10 - 50
Equipment and vehicles	5 - 10

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in governmental funds only if they are required to be paid out within 60 days of year-end.

8. Pensions

The City participates in the Statewide Defined Benefit Plan, administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The City also sponsors the fire and police "old hire" single employer defined plan. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred Outflows 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 period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item that qualifies for reporting in this category, which is the pension-related deferred outflows reported in the government-wide statement of net position.

10. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for this type of reporting, pension-related deferred inflows.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Fund Balance

The City classifies governmental fund balances as follows:

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

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

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the City Council.

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

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

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

The City does not have a formal minimum fund balance policy. However, the City's budget includes a calculation of targeted reserve positions and management reports the targeted amounts annually to City Council.

E. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds”. The \$26,684,823 difference is related to capital assets of \$44,017,828 less accumulated depreciation of \$17,333,005.

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

1. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2018, a recommended budget which detailed available revenues to meet the City’s operating requirements.
2. Prior to December 15, 2018, a public hearing was held for the budget, and the Council adopted the proposed budget and an appropriating ordinance that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$360,000, which is the approximate required reserve at December 31, 2019.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the County's and City's sales and taxes, grants, revenue from the State of Colorado, admission charges from the Salida Hot Springs Swimming Pool, and fines and court costs imposed by the Salida Municipal Court, without increasing or adding taxes of any kind, and notwithstanding any State restrictions on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, from the date of January 1, 1993, and thereafter.

On November 4, 2008, the City's voters approved the following ballot questions:

"Shall the City of Salida sales tax be increased by not more than \$1,500,000 in the first full fiscal year, and by such additional amounts as are generated annually thereafter, by an increase in City sales tax by one percent (1.0%) from two percent (2.0%) to three percent (3.0%) total, which increase shall take effect on January 1, 2009, and which revenues therefore, together with investment earnings thereon, shall be used solely for construction, operation, maintenance, and repair of roads and other public infrastructure of the City, and shall such revenues be collected by the City as a voter approved revenue change and tax policy change, notwithstanding any applicable revenue or expenditure imitation imposed by Article X, Section 20 of the Colorado Constitution. C.R.S. Section 29-1-301, or any other law, and shall the City of Salida's property tax be repealed?"

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

“Shall the City of Salida’s taxes be increased by an estimated \$800,000 annually (First fiscal year increase) or such other amount that may be collected thereafter by the imposition of an occupational lodging tax on the leasing or renting of rooms or other accommodations in commercial lodging within the City for less than 30 days at a rate of \$4.82 per night per occupied room, commencing January 1, 2009, the proceeds of such tax, together with investment earnings thereon, shall be used primarily for capital improvements and operations expenses for parks and recreation and arts facilities in the City, including, without limitation, the aquatic center and SteamPlant theater, and shall such revenues be collected by the City of Salida as a voter approved revenue change and tax policy change, notwithstanding any revenue or expenditure limitation set forth in Article X, Section 20 of the Colorado Constitution, C.R.S. Section 29-1-301, or any other law?”

On November 7, 2017, the City’s voters approved the following ballot question:

“Without raising tax rates or levying any new tax, shall the City of Salida be authorized to collect, keep and send the revenues it receives from all sources commencing on January 1, 2017 as a voter approved revenue change pursuant to the Article X, Section 20 of the Colorado Constitution.”

The City’s management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City’s deposits are entirely covered by federal depository insurance (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the City’s deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

Fair Value of Investments

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

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

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 911,744	\$ -	\$ 911,744	\$ -
Money market	2,849,930	-	2,849,930	-
Total	<u>\$ 3,761,674</u>	<u>\$ -</u>	<u>\$3,761,674</u>	<u>\$ -</u>
<u>Investments Measured at Net Asset Value</u>				
Colotrust	\$ 1,600,359			
CSIP	5,318,956			
Total	<u>\$ 6,919,315</u>			

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

- U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market Funds: published fair value per share (unit) for each fund.

Debt securities, namely mortgage pools, classified in Level 3 are valued using an appraisal service.

The Investment Pool represents investments in CSIP and Colotrust. The fair value of the pool is determined by the pool's share price. They operate similarly to a money market fund and each share is equal in value to \$1. The City has no regulatory oversight for the pool. At December 31, 2019, the City's investments in CSIP and Colotrust were 50% and 15% of the City's investment portfolio respectively.

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

Credit Risk. City investment policy limits investments to those authorized by State statutes as listed in Note 1C. The City's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

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

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	\$ 3,770	\$ 3,770	\$ -
Checking and savings	<i>Not Rated</i>	1,228,564	1,228,564	-
CD	<i>Not Rated</i>	911,744	527,989	383,755
<i>Investments:</i>				
Pools	<i>AAAm</i>	6,919,315	6,919,315	-
Money Market	<i>AAAm</i>	2,849,930	2,849,930	-
Total		<u>\$ 11,913,323</u>		

The City's cash and investments are presented on the Statement of Net Position as follows:

	Governmental Activities	Business- type Activities	Total
Cash and investments	\$ 5,282,483	5,644,157	10,926,640
Restricted cash	-	986,683	986,683
Total	<u>\$ 5,282,483</u>	<u>6,630,840</u>	<u>11,913,323</u>

B. Receivables

Receivables as of December 31, 2019, for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Street	Capital Improvement	Water	Sewer	Total
Receivables:						
Taxes	\$ 1,572,530	-	-	-	-	1,572,530
Accounts	-	15,416	-	310,738	275,195	601,349
Intergovernmental	12,169	-	49,500	160,362	-	222,031
Gross receivables	1,584,699	15,416	49,500	471,100	275,195	2,395,910
Less: allowance for uncollectible	-	-	-	-	-	-
Net receivables	<u>\$ 1,584,699</u>	<u>\$ 15,416</u>	<u>\$ 49,500</u>	<u>471,100</u>	<u>275,195</u>	<u>2,395,910</u>

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,486,920	235,557	-	4,722,477
Construction in progress	384,423	703,354	(911,755)	176,022
Total capital assets, not being depreciated	<u>4,871,343</u>	<u>938,911</u>	<u>(911,755)</u>	<u>4,898,499</u>
Capital assets, being depreciated:				
Buildings	11,551,062	985,474	-	12,536,536
Park land and improvements	5,045,425	231,486	(1,804)	5,275,107
Vehicles	3,272,162	134,661	(211,633)	3,195,190
Equipment	1,537,237	383,043	(87,689)	1,832,591
Infrastructure	15,424,002	810,823	(5,513)	16,229,312
Software and other intangibles	50,593	-	-	50,593
Total capital assets being depreciated	<u>36,880,481</u>	<u>2,545,487</u>	<u>(306,639)</u>	<u>39,119,329</u>
Less accumulated depreciation for:				
Buildings	(6,131,558)	(289,755)	-	(6,421,313)
Park land and improvements	(2,043,314)	(203,230)	1,804	(2,244,740)
Vehicles	(2,355,572)	(130,962)	209,035	(2,277,499)
Equipment	(897,155)	(133,225)	43,689	(986,691)
Infrastructure	(4,562,978)	(798,949)	613	(5,361,314)
Software and other intangibles	(38,672)	(2,776)	-	(41,448)
Total accumulated depreciation	<u>(16,029,249)</u>	<u>(1,558,897)</u>	<u>255,141</u>	<u>(17,333,005)</u>
Total capital assets, being depreciated, net	<u>20,851,232</u>	<u>986,590</u>	<u>(51,498)</u>	<u>21,786,324</u>
Governmental activities capital assets, net	<u>\$ 25,722,575</u>	<u>1,925,501</u>	<u>(963,253)</u>	<u>26,684,823</u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 89,435	-	-	89,435
Water rights	1,391,521	-	-	1,391,521
Construction in progress	2,136,903	95,619	(2,183,576)	48,946
Total capital assets, not being depreciated	<u>3,617,859</u>	<u>95,619</u>	<u>(2,183,576)</u>	<u>1,529,902</u>
Capital assets, being depreciated:				
Lines	13,661,178	563,925	(31,544)	14,193,559
Structures	15,552,581	2,282,590	(3,504)	17,831,667
Land improvements	794,455	-	-	794,455
Equipment and vehicles	14,799,258	29,662	(67,152)	14,761,768
Total capital assets being depreciated	<u>44,807,472</u>	<u>2,876,177</u>	<u>(102,200)</u>	<u>47,581,449</u>
Less accumulated depreciation for:				
Lines	(4,988,300)	(294,304)	14,296	(5,268,308)
Structures	(5,805,269)	(469,837)	2,607	(6,272,499)
Land improvements	(212,926)	(44,652)	-	(257,578)
Equipment and vehicles	(5,020,034)	(644,629)	55,347	(5,609,316)
Total accumulated depreciation	<u>(16,026,529)</u>	<u>(1,453,422)</u>	<u>72,250</u>	<u>(17,407,701)</u>
Total capital assets, being depreciated, net	<u>28,780,943</u>	<u>1,422,755</u>	<u>(29,950)</u>	<u>30,173,748</u>
Business-type activities capital assets, net	<u><u>\$ 32,398,802</u></u>	<u><u>1,518,374</u></u>	<u><u>(2,213,526)</u></u>	<u><u>31,703,650</u></u>

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CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:

General government	\$ 131,123
Public safety	199,254
Public works	859,292
Culture and recreation	369,228
Total depreciation expense - governmental activities	\$ 1,558,897

Business-type activities:

Water	462,568
Sewer	892,838
Steamplant	98,016
Total depreciation expense - business-type activities	\$ 1,453,422

D. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2019.

Transfers were as follows:

	In	Out	Purpose
General Fund	\$ 764,726	\$ 240,000	To fund capital projects and Steamplant
Conservation Trust	-	12,808	To fund General Fund
Capital Improvement	180,000	-	To fund capital projects
Street	635,280	-	To fund capital projects
SteamPlant	60,000	-	To fund net expenses
Lodging	-	751,918	To fund General Fund
Water Fund	-	615,467	To fund Street Fund
Wastewater Fund	-	19,813	To fund Street Fund
Total	\$ 1,640,006	\$ 1,640,006	

E. Long-term Liabilities

1. Lease Purchase – Community Services Complex 2008 and 2009

On September 1, 2008, the City entered into a \$1,300,000 lease purchase agreement with Capital One Public Funding. The lease requires monthly payments of \$13,486 and bears an interest rate of 3.40%. The lease matures on February 15, 2026. Proceeds from the lease were used for construction of a new police station and are secured by the land on which the station was constructed.

2. Lease Purchase – Equipment

On August 3, 2018, the City entered into a \$161,723 lease to purchase radio equipment for the Police, Fire, and Public Works departments. The lease requires five annual payments of \$35,484 and bears an interest rate of 4.722%. The lease matures August 15, 2022.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

2. Lease Purchase – Equipment (continued)

On June 21, 2019, the City entered into a \$255,835 lease to purchase a mechanical sweeper for the Public Works department. The lease requires five annual payments of \$56,251 and bears an interest rate of 4.5%. The lease matures October 21, 2023.

3. Water and Sewer Enterprise Revenue Refunding Bonds 2016

On December 6, 2016, the City issued Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016, in the principal amount of \$1,535,000. Proceeds from the 2016 Bonds were used to advance refund a portion of the City's Water and Sewer Refunding and Improvement Revenue Bonds, Series 2004 (see Note E. 5). As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Water Fund. The City realized a net present value on the refunding of \$135,476.

The interest rate on the Series 2016 Bonds is 2.16% and is payable semi-annually on June 1 and December 1 through 2027.

4. USDA Loan

In March 2013, the City entered into a \$12,103,000 loan agreement with the Department of Agriculture. The note requires semi-annual payments of \$480,484 due March 27 and September 27 and bears interest at 2.5%. The note matures September 27, 2052. The proceeds were used to upgrade the wastewater treatment plant.

The loan agreement requires the City to maintain a debt service reserve and asset management reserve equal to 10% of the monthly payment each month over the life of the loan until one annual installment is accumulated. The agreement also requires a reserve equal to the lesser of the combined maximum annual principal. As of December 31, 2019, the City has reserved \$986,683 for the loan.

5. Colorado Water Resources and Power Development Authority Note

On December 21, 2011, the City entered into a \$545,000 non-interest-bearing note with the Colorado Water Resources and Power Development Authority. The note requires semi-annual payments of \$13,625 due November 1 and May 1. The note matures May 1, 2032. The proceeds were for the necessary repairs to the water treatment facility.

The Colorado Water Resources and Power Development Authority Loan Agreement sets forth certain covenants and restrictions. As of December 31, 2016, the City appears to be in compliance with all covenants and restrictions as set forth in Exhibit A and Exhibit F, Additional Covenants and Requirements.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

5. Colorado Water Resources and Power Development Authority Note (continued)

Rate Covenant: The City shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefore, are expected to produce Gross revenue for each calendar year that will be at least sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bond during the calendar year and other debt service requirements. Gross revenue as defined in Para (3) of Exhibit A to the Loan Agreement is all income and revenues directly or indirectly derived by the government agency for the operation and use of the system, including investment income, but excluding, property taxes and grants received for capital improvements.

Total Gross Revenue requirement \$ 1,036,303

Total water fund revenues, excluding capital grants \$1,746,298

Excess (deficiency) of gross revenues \$ 709,995

6. DOLA Note Payable 2001

On May 31, 2001, the City entered into a \$175,000 note with the Department of Local Affairs. The note requires annual payments of \$14,042 due September 1 and bears interest at 5%. The note matures September 1, 2021. The proceeds were for the construction of a one million gallon steel tank for treated water storage and related water lines.

7. 2017 CWRPDA Loan – Drinking Water Revolving Fund

On February 28, 2017, the City entered into a \$1,505,000 note with CWRPDA for the purposes of installing a UV disinfection system. The note requires semiannual payments of \$18,622, and are due May 1 and November 1, bearing interest at 1% per annum. The note matures November 1, 2037. During the year, the City made draws of \$160,367 on the note, and the remaining unused \$210,214 on the note was rescinded. As of December 31, 2019, payments were amended to semiannual payments of \$12,253 due May and November 1 on debt balance of \$401,911, net of draws, forgiven debts, and rescissions. The City had no remaining authorized but unissued debt.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

8. Schedule of Debt Service Requirements

Year ending December 31	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 212,245	41,323	253,568	\$ 409,944	296,585	706,528
2021	220,363	33,205	253,568	417,059	286,580	703,638
2022	228,798	24,769	253,568	414,445	277,235	691,680
2023	202,078	16,005	218,083	430,347	268,309	698,656
2024	153,209	8,623	161,832	436,393	259,022	695,416
2025 - 2030	170,458	6,302	176,760	2,313,950	1,359,470	3,673,420
2031 - 2035	-	-	-	1,645,465	920,360	2,565,825
2036 - 2040	-	-	-	1,732,906	718,526	2,451,432
2041 - 2045	-	-	-	1,907,311	495,109	2,402,420
2046 - 2050	-	-	-	2,159,592	242,828	2,402,420
2051 - 2052	-	-	-	732,618	19,160	751,778
	<u>1,187,151</u>	<u>130,228</u>	<u>1,317,379</u>	<u>12,600,030</u>	<u>5,143,184</u>	<u>17,743,213</u>

9. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$74,356 in governmental activities and \$14,329 in business-type activities at December 31, 2019.

10. Schedule of Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases	\$ 1,142,717	255,835	(211,401)	1,187,151	210,818
Net pension liability	858,627	323,457	-	1,182,084	-
Accrued compensated absences	65,347	9,009	-	74,356	24,785
Total Governmental Activities Long-term Liabilities	<u>\$ 2,066,691</u>	<u>588,301</u>	<u>(211,401)</u>	<u>2,443,591</u>	<u>235,603</u>
Business-type Activities:					
Water and Sewer Revenue Bonds 2016	\$ 1,305,000	-	(135,000)	1,170,000	135,000
USDA Loan - WWTF Upgrade	10,871,422	-	(210,034)	10,661,388	215,284
CO Water Resources & Power Development Authority	367,875	-	(27,832)	340,043	27,250
CWRPDA Drinking Water Revolving Fund	272,435	160,367	(30,891)	401,911	19,673
DOLA Note Payable	38,241	-	(11,553)	26,688	12,737
Accrued compensated absences	15,518	-	(1,189)	14,329	4,776
Total Business-type Activities Long-term Liabilities	<u>\$ 12,870,491</u>	<u>160,367</u>	<u>(416,499)</u>	<u>12,614,359</u>	<u>414,720</u>

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan

Plan Description: The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Contributions: Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers contributed at a rate of 10.0% and 8%, respectively of base salary for a total contribution rate of 18.0% through the measurement date December 31, 2018. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 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. Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors.

The re-entry group has a combined contribution rate of 21.5% of base salary through 2017. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%.

Benefits 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. Benefits paid to retired members are evaluated and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account ("SRA") has two components; the standard SRA and the reentry SRA.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.7%.

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

Net Pension Liability (Asset): At December 31, 2019, the City reported liabilities of \$129,538 and \$173,134 for its proportionate share of the net pension (asset) for fire and police respectively. The Plan's fiduciary net position is currently exceeded by the total pension liability, resulting in a liability reported by the District. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension liability was based on City contributions to the Plan for the calendar year 2018 relative to the total contributions of participating employers to the Plan.

At the pension measurement date of December 31, 2018 and 2017, the City's proportionate shares for fire and police were as follows:

	Proportionate Share	
	2018	2017
Fire	0.10246%	0.11352%
Police	0.13694%	0.13482%

For the year ended December 31, 2019, the City recognized net pension revenue of \$70,870 and \$66,521 for fire and police respectively.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

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

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 166,444	1,384	222,462	1,849
Changes of assumptions or other inputs	125,453	-	167,675	-
Net difference between projected and actual earnings on pension plan investments	101,901	-	136,197	-
Changes in proportionate share of contributions	33,558	9,105	12,802	27,845
Contributions subsequent to the measurement date	84,740	-	87,349	-
Total	\$ 512,096	10,489	626,485	29,694

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amortization	
	Fire	Police
December 31:		
2020	\$ 77,408	\$ 98,070
2021	56,135	69,634
2022	48,246	59,090
2023	77,881	98,699
Thereafter	157,197	183,949
	\$ 416,867	\$ 509,442

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial assumptions. The total pension asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability 2019	Actuarially Determined Contributions 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
	5-Year Smoothed Fair Value	5-Year Smoothed Fair Value
Asset Valuation Method	Value	Value
Long-term investment Rate of Return *	7.0	7.5%
Projected Salary Increases	4% to 11.25%	4% to 14%
Cost of Living Adjustments	0%	0%
* Includes Inflation at	2.50%	2.50%

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.

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

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.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37%	8.03%
Equity Long/Short	9%	6.45%
Illiquid Alternatives	24%	10.00%
Fixed Income	15%	2.90%
Absolute Return	9%	5.08%
Managed Futures	4%	5.35%
Cash	2%	2.52%
Total	100%	

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

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Discount Rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability (asset)			
Fire	\$ 502,332	129,538	(179,688)
Police	\$ 671,393	173,134	(240,163)

Pension plan fiduciary net position: Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

2. Agent “Old Hire” Pension Plan

Plan Description: The City is trustee of a single-employer defined benefit pension plan available to provide retirement income for all firefighters and police hired before April 8, 1978 (“old hires”) in recognition of their service to the City. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://fppaco.org>.

The plan provides normal retirement benefits, severance, and death and disability benefits. Normal retirement benefits begin at 50 years of age and upon completion of 18 years of service and include monthly pension equal to one-half of his monthly salary at the date of his retirement. For severances, firefighters and police have the option to refund their contribution with 5% annual interest, or to receive deferred retirement pensions equal to one-half their monthly salary if they meet the age and service requirements of the normal retirement benefit. If a firefighter or policeman is eligible to receive or is receiving benefits dies in retirement, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-half the monthly pension the firefighter or policeman was entitled to receive. There are no vested retirement benefits.

As of January 1, 2019 the latest actuarial valuation date, there were no active members, no inactive, nonretired member and 3 retirees and beneficiaries in the Salida Old Hire Fire Pension Fund.

As of January 1, 2019 the latest actuarial valuation date, there were no active members, no inactive, nonretired member and 6 retirees and beneficiaries in the Salida Old Hire Police Pension Fund.

Funding Policy: The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the “State”) toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less. Since the City currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year

Net Pension Liability: At December 31, 2019, the Old Hire pension fund reported a net pension liability of \$121,355 and \$758,057 for Fire and Police, respectively. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

2. Agent "Old Hire" Pension Plan (continued)

Actuarial Assumptions: The significant actuarial assumptions used in the valuation as of January 1, 2019 were:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	15 Years*
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Long-term investment Rate of Return *	7.5%
Retirement age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on pension plan investments (7.50%), and (2) tax-exempt municipal bond rate based on an index of 20-year obligation bonds with an average AA per Standard and Poor's Corp. or Aa2 per Moody's Investors Service credit rating as of the measurement date (3.31%) to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits. The resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension asset (liability) to changes in the Single Discount Rate, the following represent the plan's net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, 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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)			
Fire	\$ 134,655	121,355	109,482
Police	\$ 855,513	758,057	673,401

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

2. Agent "Old Hire" Pension Plan (continued)

In connection with the City's Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2019:

	Fire		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 7,972	(4,111)	\$ 38,620	(19,607)
Contributions subsequent to the measurement date	14,622	-	80,582	-
Total	\$ 22,594	(4,111)	\$ 119,202	(19,607)

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

Year Ending	Amortization	
	Fire	Police
December 31:		
2020	\$ 1,932	\$ 8,940
2021	515	2,646
2022	22	445
2023	1,392	6,982
Thereafter	-	-
	\$ 3,861	\$ 19,013

G. Restricted Net Position

The City restricted net position in the following funds as of December 31, 2019:

	General Fund	Conservation Trust Fund	Sewer Fund	Description
Restricted:				
Emergency Reserve	\$ 360,000	-	-	Legislative restriction
Conservation Trust	-	236,103	-	Legislative restriction
Debt Service	-	-	986,683	Bond reserve requirement

CITY OF SALIDA, COLORADO
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information

A. Other Retirement Plans

1. Deferred Compensation Plans – Section 401

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 401 of the Internal Revenue Code. The normal retirement age is age 60 (not to exceed age 65). All full time employees except Fire and Police personnel are entitled to participate in the plan. The City contributes on behalf of each participant 3% of earnings for the Plan Year. There is no minimum required contribution by the employee. Participants are 100% vested immediately and may direct their investment, without restriction, among various investment options available under the Trust. The City's contributions vest at a rate of 25% per year.

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

2. Deferred Compensation Plan - Section 457

In 1997, the City established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under code section 457 of the Internal Revenue code. The normal retirement age is age 60 (not to exceed age 65). All full-time employees except Fire and Police personnel are entitled to participate in the plan. The City will match up to 3% of employee contributions. There is no minimum required contribution by the employee. Participants are 100% vested immediately in their direct investment. The City's contributions vest at a rate of 25% per year.

B. Other Employee Benefits – Cafeteria Plan

The City offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, health expense reimbursement and child care benefits. The plan is administered by Affiliated Benefits Consultants, which approves disbursements from the plan that employees make from a plan debit card. No cost to the City is recognized as the plan is a salary reduction plan.

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions, and employee health claims. The City insures against these risks through its participation in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and the purchase of commercial insurance.

The City's management is unaware of any excess losses which may have been incurred by CIRSA. There have been no settled claims in excess of coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2019

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	3,490,839	3,490,839	3,816,063	325,224
Real estate assessments	-	-	14,160	14,160
Franchise fees	300,000	300,000	345,904	45,904
Total Taxes	<u>3,790,839</u>	<u>3,790,839</u>	<u>4,176,127</u>	<u>385,288</u>
Fees for General Services:				
Vin inspections	6,000	6,000	7,340	1,340
Vital statistics records	15,000	15,000	18,485	3,485
Planning and zoning fees	111,500	111,500	66,165	(45,335)
Fire plans and inspections	5,000	5,000	7,270	2,270
Emergency response fees	10,000	10,000	8,519	(1,481)
Public works charges	10,000	10,000	11,115	1,115
Other revenues	63,000	63,000	35,904	(27,096)
Total Licenses, Permits, and Fees	<u>220,500</u>	<u>220,500</u>	<u>154,798</u>	<u>(65,702)</u>
Intergovernmental:				
Sales tax - County	2,039,199	2,039,199	2,303,168	263,969
Cigarette tax	23,000	23,000	19,076	(3,924)
Other state taxes	65,000	65,000	102,547	37,547
Highway users tax	212,800	212,800	-	(212,800)
Motor vehicle registration	25,000	25,000	36,330	11,330
County road and bridge	9,500	9,500	9,920	420
State grants	-	-	36,769	36,769
South Ark Fire District	70,000	70,000	74,970	4,970
Total Intergovernmental	<u>2,444,499</u>	<u>2,444,499</u>	<u>2,582,780</u>	<u>138,281</u>
Fees for Recreation and Event Services:				
Hot springs pool	390,000	390,000	440,294	50,294
Soaking pool fees	25,000	25,000	30,182	5,182
Events and program revenues	35,000	35,000	29,783	(5,217)
Park rentals	11,000	11,000	11,985	985
Other recreation revenues	33,900	33,900	13,803	(20,097)
Total Charges for Recreation and Events	<u>494,900</u>	<u>494,900</u>	<u>526,047</u>	<u>31,147</u>
Fines and Forfeitures:				
Court fines	45,500	45,500	37,347	(8,153)
Parking fines	16,500	16,500	7,785	(8,715)
Other court costs charges and forfeitures	13,000	13,000	12,340	(660)
Total Fines and Forfeitures	<u>75,000</u>	<u>75,000</u>	<u>57,472</u>	<u>(17,528)</u>
Licenses, Permits and Fees:				
Liquor licenses	11,100	11,100	16,461	5,361
Medical marijuana dispensary license	-	-	3,700	3,700
Business licenses	6,650	6,650	21,775	15,125
Other licenses and permits	1,600	1,600	7,733	6,133
Total Licenses, Permits, and Fees	<u>19,350</u>	<u>19,350</u>	<u>49,669</u>	<u>30,319</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2019

REVENUES, CONTINUED	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Other Revenues:				
Capital revenue				
Insurance proceeds	-	-	13,268	13,268
Other capital revenues	-	-	30,000	30,000
Miscellaneous revenue				
Interest revenue	25,000	25,000	112,699	87,699
Rent, leases and royalties	60,000	60,000	56,758	(3,242)
Donations	2,000	2,000	2,000	-
Other miscellaneous revenues	150,795	150,795	27,426	(123,369)
Total Other revenues	<u>237,795</u>	<u>237,795</u>	<u>242,151</u>	<u>4,356</u>
TOTAL REVENUES	<u>7,282,883</u>	<u>7,282,883</u>	<u>7,789,044</u>	<u>506,161</u>
EXPENDITURES:				
General Government:				
Administration				
Personnel services	444,830	444,830	493,915	(49,085)
Contracted services	307,000	307,000	420,707	(113,707)
Supplies and materials	9,650	9,650	10,498	(848)
Utilities	32,000	32,000	31,140	860
Other operating costs	168,150	168,150	204,332	(36,182)
Budgetary capital expenditures (<\$5,000)	19,750	19,750	25,413	(5,663)
Capital purchases and improvements (\$5,000+)	40,000	40,000	16,777	23,223
Lease obligations	161,836	161,836	161,832	4
Total Administration	<u>1,183,216</u>	<u>1,183,216</u>	<u>1,364,614</u>	<u>(181,398)</u>
Community Development:				
Personnel services	272,897	272,897	274,554	(1,657)
Contracted services	211,000	211,000	75,548	135,452
Supplies and materials	1,800	1,800	938	862
Utilities	700	700	420	280
Other operating costs	17,000	17,000	16,264	736
Budgetary capital expenditures (<\$5,000)	2,500	2,500	3,258	(758)
Total Community Development	<u>505,897</u>	<u>505,897</u>	<u>370,982</u>	<u>134,915</u>
Other:				
Municipal judge and city prosecutor	2,000	2,000	-	2,000
Community support grants	40,000	40,000	40,000	-
Total General Government - Other	<u>42,000</u>	<u>42,000</u>	<u>40,000</u>	<u>2,000</u>
Total General Government	<u>1,731,113</u>	<u>1,731,113</u>	<u>1,775,596</u>	<u>(44,483)</u>

(continued)

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2019

EXPENDITURES, CONTINUED	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Public Safety:				
Police:				
Personnel services	1,718,257	1,718,257	1,747,648	(29,391)
Contracted services	96,600	96,600	121,609	(25,009)
Supplies and materials	74,000	74,000	88,386	(14,386)
Utilities	43,300	43,300	47,330	(4,030)
Other operating costs	60,275	60,275	84,192	(23,917)
Budgetary capital expenditures (<\$5,000)	22,300	22,300	13,895	8,405
Capital purchases and improvements (\$5,000+)	118,195	118,195	91,927	26,268
Lease obligations	-	-	16,845	(16,845)
Total Police	<u>2,132,927</u>	<u>2,132,927</u>	<u>2,211,832</u>	<u>(78,905)</u>
Fire:				
Personnel services	1,208,305	1,208,305	1,167,187	41,118
Contracted services	19,900	19,900	20,483	(583)
Supplies and materials	55,800	55,800	52,118	3,682
Utilities	8,300	8,300	8,218	82
Other operating costs	51,100	51,100	39,385	11,715
Budgetary capital expenditures (<\$5,000)	20,500	20,500	3,554	16,946
Capital purchases and improvements (\$5,000+)	28,000	28,000	53,285	(25,285)
Lease obligations	-	-	13,116	(13,116)
Total Fire	<u>1,391,905</u>	<u>1,391,905</u>	<u>1,357,346</u>	<u>34,559</u>
Total Public Safety	<u>3,524,832</u>	<u>3,524,832</u>	<u>3,569,178</u>	<u>(44,346)</u>
Public Works:				
Public Works:				
Personnel services	-	-	11,305	(11,305)
Contracted services	300	300	-	300
Supplies and materials	7,750	7,750	10,705	(2,955)
Utilities	100,500	100,500	90,292	10,208
Other operating costs	138,500	138,500	118,545	19,955
Budgetary capital expenditures (<\$5,000)	15,000	15,000	503	14,497
Capital purchases and improvements (\$5,000+)	-	-	255,835	(255,835)
Lease obligations	-	-	61,773	(61,773)
Total Public Works	<u>262,050</u>	<u>262,050</u>	<u>548,958</u>	<u>(286,908)</u>
Facilities and Vehicle Management				
Personnel services	177,033	177,033	167,943	9,090
Contracted services	5,000	5,000	6,645	(1,645)
Supplies and materials	18,100	18,100	14,090	4,010
Utilities	10,400	10,400	11,617	(1,217)
Other operating costs	41,600	41,600	38,092	3,508
Budgetary capital expenditures (<\$5,000)	6,000	6,000	-	6,000
Total Public Works - Facilities and Vehicle Management	<u>258,133</u>	<u>258,133</u>	<u>238,387</u>	<u>19,746</u>
Other:				
Airport operations	140,000	140,000	140,000	-
Contracted services	20,000	20,000	21,942	(1,942)
Utilities	17,000	17,000	16,216	784
Other operating costs	76,000	76,000	75,502	498
Total Public Works - Other	<u>465,800</u>	<u>465,800</u>	<u>488,753</u>	<u>(22,953)</u>
Total Public Works	<u>985,983</u>	<u>985,983</u>	<u>1,276,098</u>	<u>(290,115)</u>

(continued)

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2019

EXPENDITURES, CONTINUED	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Culture, Parks and Recreation:				
Pool and Recreation:				
Personnel services	660,157	660,157	649,500	10,657
Contracted services	170,500	170,500	116,619	53,881
Supplies and materials	50,500	50,500	37,056	13,444
Utilities	78,100	78,100	80,952	(2,852)
Other operating costs	76,700	76,700	80,422	(3,722)
Budgetary capital expenditures (<\$5,000)	26,000	26,000	16,114	9,886
Capital purchases and improvements (\$5,000+)	55,000	55,000	39,000	16,000
Total Pool and Recreation	<u>1,116,957</u>	<u>1,116,957</u>	<u>1,019,663</u>	<u>97,294</u>
Parks, Open Space and Trails:				
Personnel services	323,421	323,421	330,303	(6,882)
Contracted services	13,300	13,300	4,756	8,544
Supplies and materials	59,600	59,600	51,992	7,608
Utilities	89,100	89,100	89,218	(118)
Other operating costs	84,150	84,150	63,789	20,361
Budgetary capital expenditures (<\$5,000)	5,700	5,700	1,601	4,099
Total Park, Open Space, and Trails	<u>585,271</u>	<u>585,271</u>	<u>548,972</u>	<u>36,299</u>
Total Culture, Parks and Recreation	<u>1,702,228</u>	<u>1,702,228</u>	<u>1,568,635</u>	<u>133,593</u>
TOTAL EXPENDITURES	<u>7,944,156</u>	<u>7,944,156</u>	<u>8,189,507</u>	<u>(245,351)</u>
Excess of Revenues Over (Under) Expenditures	<u>(661,273)</u>	<u>(661,273)</u>	<u>(400,463)</u>	<u>260,810</u>
Other Financing Sources (Uses):				
Transfer in	-	800,000	764,726	(35,274)
Transfer (out)	-	(500,000)	(240,000)	260,000
Lease proceeds	-	-	255,835	255,835
Total Other Financing Sources (Uses)	<u>-</u>	<u>300,000</u>	<u>780,561</u>	<u>480,561</u>
Net change in fund balance	(661,273)	(361,273)	380,098	741,371
Fund balance, beginning of year	<u>5,559,853</u>	<u>5,559,853</u>	<u>5,482,339</u>	<u>(77,514)</u>
Fund balance, end of year	<u>4,898,580</u>	<u>5,198,580</u>	<u>5,862,437</u>	<u>663,857</u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Street Fund
Budget and Actual
For the Year Ended December 31, 2019

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	1,948,981	1,948,981	2,128,256	179,275
Intergovernmental:				
Highway users tax	212,800	212,800	272,925	60,125
State grants	469,176	469,176	12,495	(456,681)
Public improvement - payments in lieu	-	-	3,253	3,253
Total revenues	<u>2,630,957</u>	<u>2,630,957</u>	<u>2,416,929</u>	<u>(214,028)</u>
EXPENDITURES:				
Public Works:				
Personnel services	327,205	327,205	302,856	24,349
Contracted services	150,000	150,000	176,981	(26,981)
Supplies and materials	30,300	30,300	26,325	3,975
Other operating costs	80,500	80,500	73,767	6,733
Capital purchases and improvements (\$5,000+)	1,955,000	1,955,000	1,298,304	656,696
Total Expenditures	<u>2,543,005</u>	<u>2,543,005</u>	<u>1,878,233</u>	<u>664,772</u>
Excess of Revenues Over (Under) Expenditures	<u>87,952</u>	<u>87,952</u>	<u>538,696</u>	<u>450,744</u>
Other Financing Sources (Uses):				
Transfer in	-	640,000	635,280	(4,720)
Total Other Financing Sources (Uses)	<u>-</u>	<u>640,000</u>	<u>635,280</u>	<u>(4,720)</u>
Net change in fund balance	87,952	727,952	1,173,976	446,024
Fund balances, beginning of year	<u>(396,217)</u>	<u>(396,217)</u>	<u>(893,418)</u>	<u>(497,201)</u>
Fund balances, end of year	<u>(308,265)</u>	<u>331,735</u>	<u>280,558</u>	<u>(51,177)</u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Capital Improvement Fund
Budget and Actual
For the Year Ended December 31, 2019

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	487,245	487,245	532,064	44,819
Intergovernmental revenue:				
State grants	537,000	537,000	354,335	(182,665)
Total revenues	<u>1,024,245</u>	<u>1,024,245</u>	<u>886,399</u>	<u>(137,846)</u>
EXPENDITURES:				
Community Development:				
Capital outlay	-	-	20,869	(20,869)
Police:				
Capital outlay	72,250	72,250	61,320	10,930
Fire:				
Capital outlay	75,000	75,000	39,126	35,874
Public works:				
Capital outlay	60,000	60,000	-	60,000
Pool and recreation				
Capital outlay	1,145,000	1,145,000	91,757	1,053,243
Parks, open space and trails				
Capital outlay	982,221	982,221	871,557	110,664
Total Expenditures	<u>2,334,471</u>	<u>2,334,471</u>	<u>1,084,629</u>	<u>1,249,842</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,310,226)</u>	<u>(1,310,226)</u>	<u>(198,230)</u>	<u>1,111,996</u>
Other Financing Sources (Uses):				
Transfer in	-	140,000	180,000	40,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>140,000</u>	<u>180,000</u>	<u>40,000</u>
Net change in fund balance	(1,310,226)	(1,170,226)	(18,230)	1,151,996
Fund balances, beginning of year	1,682	1,682	39,124	37,442
Fund balances, end of year	<u>(1,308,544)</u>	<u>(1,168,544)</u>	<u>20,894</u>	<u>1,189,438</u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Economic Development Fund
Budget and Actual
For the Year Ended December 31, 2019

REVENUES:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Taxes:				
Sales tax	120,640	120,640	133,016	12,376
Miscellaneous revenue	-	-	5,000	5,000
Total revenues	<u>120,640</u>	<u>120,640</u>	<u>138,016</u>	<u>17,376</u>
EXPENDITURES:				
Community development	91,523	134,023	121,235	12,788
Total Expenditures	<u>91,523</u>	<u>134,023</u>	<u>121,235</u>	<u>12,788</u>
Excess of Revenues Over (Under) Expenditures	<u>29,117</u>	<u>(13,383)</u>	<u>16,781</u>	<u>30,164</u>
Fund balances, beginning of year	<u>187,438</u>	<u>187,438</u>	<u>126,953</u>	<u>(60,485)</u>
Fund balances, end of year	<u>216,555</u>	<u>174,055</u>	<u>143,734</u>	<u>(30,321)</u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Lodging Tax Fund
Budget and Actual
For the Year Ended December 31, 2019

REVENUES:	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Taxes:				
Sales tax	300,000	300,000	337,316	37,316
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>337,316</u>	<u>37,316</u>
EXPENDITURES:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>300,000</u>	<u>300,000</u>	<u>337,316</u>	<u>37,316</u>
Other Financing Sources (Uses):				
Transfer out	(300,000)	(800,000)	(751,918)	48,082
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(800,000)</u>	<u>(751,918)</u>	<u>48,082</u>
Net change in fund balance	-	(500,000)	(414,602)	85,398
Fund balances, beginning of year	<u>81,307</u>	<u>81,307</u>	<u>414,602</u>	<u>333,295</u>
Fund balances, end of year	<u><u>81,307</u></u>	<u><u>(418,693)</u></u>	<u><u>-</u></u>	<u><u>418,693</u></u>

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Conservation Trust Fund
Budget and Actual
For the Year Ended December 31, 2019

REVENUES:	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Intergovernmental revenue:			
State lottery	60,000	65,770	5,770
Interest income	1,200	3,019	1,819
Total revenues	<u>61,200</u>	<u>68,789</u>	<u>7,589</u>
 EXPENDITURES:			
Parks and recreation:			
Capital outlay	210,000	11,699	198,301
Total Expenditures	<u>210,000</u>	<u>11,699</u>	<u>198,301</u>
Excess of Revenues Over (Under) Expenditures	<u>(148,800)</u>	<u>57,090</u>	<u>205,890</u>
Other Financing Sources (Uses):			
Transfer out	-	(12,808)	(12,808)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(12,808)</u>	<u>(12,808)</u>
Net change in fund balance	(148,800)	44,282	193,082
Fund balances, beginning of year	194,103	191,821	(2,282)
Fund balances, end of year	<u>45,303</u>	<u>236,103</u>	<u>190,800</u>

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

CITY OF SALIDA, COLORADO
Schedule of City's Proportionate Share of Net Pension Asset / Liability
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fire:						
City's portion of the net pension asset - Fire	0.102460%	0.113522%	0.105545%	0.111828%	0.109666%	0.105488%
City's proportionate share of the net pension asset (liability) - Fire	(129,538)	163,320	(38,138)	1,971	123,767	94,326
City's covered payroll - Fire	686,338	664,025	540,163	542,116	493,175	458,177
City's proportionate share of the net pension asset as a percentage of its covered payroll - Fire	-18.87%	24.60%	-7.06%	0.36%	25.10%	20.59%
Police:						
City's portion of the net pension asset - Police	0.136943%	0.134815%	0.119709%	0.126477%	0.117005%	0.129598%
City's proportionate share of the net pension asset (liability)- Police	(173,134)	193,953	(43,255)	2,230	132,049	115,885
City's covered payroll - Police	917,325	788,575	612,650	613,126	525,825	562,895
City's proportionate share of the net pension asset as a percentage of its covered payroll - Police	-18.87%	24.60%	-7.06%	0.36%	25.11%	20.59%
Plan fiduciary net position as a percentage of the total pension asset	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the employer plan, and fiscal year 2015 for the volunteer plan.

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
Statewide Defined Benefit Plans
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Statewide Defined Benefit Plan:	2019	2018	2017	2016	2015	2014
Fire:						
Contractually required contribution	84,740	54,907	53,122	43,213	43,369	39,454
Contributions in relation to the contractually required contribution	<u>(84,740)</u>	<u>(54,907)</u>	<u>(53,122)</u>	<u>(43,213)</u>	<u>(43,369)</u>	<u>(39,454)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	1,059,250	686,338	664,025	540,163	542,116	493,175
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Police:						
Contractually required contribution	87,349	73,386	63,086	49,012	49,050	42,066
Contributions in relation to the contractually required contribution	<u>(87,349)</u>	<u>(73,386)</u>	<u>(63,086)</u>	<u>(49,012)</u>	<u>(49,050)</u>	<u>(42,066)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	1,091,863	917,325	788,575	612,650	613,126	525,825
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Fire "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Interest on the Total Pension Liability	15,698	15,903	16,704	15,943	16,742
Difference between Expected and Actual Experience	-	8,761	-	8,172	-
Assumption Changes	-	-	-	13,426	-
Benefit Payments	<u>(27,391)</u>	<u>(27,391)</u>	<u>(27,391)</u>	<u>(27,391)</u>	<u>(27,391)</u>
Net Change in Total Pension Liability	<u>(11,693)</u>	<u>(2,727)</u>	<u>(10,687)</u>	<u>10,150</u>	<u>(10,649)</u>
Total Pension Liability - Beginning	<u>222,757</u>	<u>225,484</u>	<u>236,171</u>	<u>226,021</u>	<u>236,670</u>
Total Pension Liability - Ending (a)	<u><u>211,064</u></u>	<u><u>222,757</u></u>	<u><u>225,484</u></u>	<u><u>236,171</u></u>	<u><u>226,021</u></u>
Plan Fiduciary Net Position					
Employer Contributions	14,074	14,074	9,539	9,539	5,426
Pension Plan Net Investment Income	382	14,284	5,806	2,452	9,441
Benefit Payments	(27,391)	(27,391)	(27,391)	(27,391)	(27,391)
Pension Plan Administrative Expense	(3,401)	(1,065)	(2,052)	(544)	(3,351)
Net Change in Plan Fiduciary Net Position	<u>(16,336)</u>	<u>(98)</u>	<u>(14,098)</u>	<u>(15,944)</u>	<u>(15,875)</u>
Plan Fiduciary Net Position - Beginning	<u>106,045</u>	<u>106,143</u>	<u>120,241</u>	<u>136,185</u>	<u>152,060</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>89,709</u></u>	<u><u>106,045</u></u>	<u><u>106,143</u></u>	<u><u>120,241</u></u>	<u><u>136,185</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>121,355</u></u>	<u><u>116,712</u></u>	<u><u>119,341</u></u>	<u><u>115,930</u></u>	<u><u>89,836</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	42.50%	47.61%	47.07%	50.91%	60.25%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

The accompanying notes are an integral part of these financial statements
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CITY OF SALIDA, COLORADO
Schedule of Changes in Net Pension Asset / Liability
Police "Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Interest on the Total Pension Liability	89,445	90,074	92,791	89,922	92,650
Difference between Expected and Actual Experience	-	30,567	-	27,855	-
Assumption Changes	-	-	-	49,510	-
Benefit Payments	<u>(129,025)</u>	<u>(129,025)</u>	<u>(129,025)</u>	<u>(129,025)</u>	<u>(129,025)</u>
Net Change in Total Pension Liability	<u>(39,580)</u>	<u>(8,384)</u>	<u>(36,234)</u>	<u>38,262</u>	<u>(36,375)</u>
Total Pension Liability - Beginning	<u>1,255,945</u>	<u>1,264,329</u>	<u>1,300,563</u>	<u>1,262,301</u>	<u>1,298,676</u>
Total Pension Liability - Ending (a)	<u><u>1,216,365</u></u>	<u><u>1,255,945</u></u>	<u><u>1,264,329</u></u>	<u><u>1,300,563</u></u>	<u><u>1,262,301</u></u>
Plan Fiduciary Net Position					
Employer Contributions	75,808	75,808	66,481	66,481	56,214
Pension Plan Net Investment Income	1,542	68,209	27,005	10,580	39,097
Benefit Payments	<u>(129,025)</u>	<u>(129,025)</u>	<u>(129,025)</u>	<u>(129,025)</u>	<u>(129,025)</u>
Pension Plan Administrative Expense	<u>(4,047)</u>	<u>(1,628)</u>	<u>(2,683)</u>	<u>(1,127)</u>	<u>(3,771)</u>
Net Change in Plan Fiduciary Net Position	<u>(55,722)</u>	<u>13,364</u>	<u>(38,222)</u>	<u>(53,091)</u>	<u>(37,485)</u>
Plan Fiduciary Net Position - Beginning	<u>514,030</u>	<u>500,666</u>	<u>538,888</u>	<u>591,979</u>	<u>629,464</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>458,308</u></u>	<u><u>514,030</u></u>	<u><u>500,666</u></u>	<u><u>538,888</u></u>	<u><u>591,979</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>758,057</u></u>	<u><u>741,915</u></u>	<u><u>763,663</u></u>	<u><u>761,675</u></u>	<u><u>670,322</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	37.68%	40.93%	39.60%	41.43%	46.90%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

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

CITY OF SALIDA, COLORADO
Schedule of City's Contributions
"Old Hire" Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Agent - Fire "Old Hire" Plan:	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	14,622	14,074	14,074	9,539	9,539	5,426
Actual contribution	<u>(14,622)</u>	<u>(14,074)</u>	<u>(14,074)</u>	<u>(9,539)</u>	<u>(9,539)</u>	<u>(5,426)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Agent - Police "Old Hire" Plan:	2018	2018	2017	2016	2015	2014
Actuarially determined contribution	80,582	75,808	78,808	66,481	66,481	56,214
Actual contribution	<u>(80,582)</u>	<u>(75,808)</u>	<u>(78,808)</u>	<u>(66,481)</u>	<u>(66,481)</u>	<u>(56,214)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

City of Salida
Notes to the Required Supplementary Information
December 31, 2019

I. Schedule of City's Proportionate Share of the Net Pension (Asset) Liability – Statewide Defined Benefit Plans

A. Changes to assumptions or other inputs

1. 2016 Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

2. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

II. Notes to the Schedule of City's Contributions – Statewide Defined Benefit Plans

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

City of Salida
Notes to the Required Supplementary Information
December 31, 2019

III. Schedule of Changes in Net Pension Asset / Liability – Fire and Police “Old Hire” Plan

A. Changes to assumptions

1. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

The inflation assumption was reduced from 3.0% to 2.5%.

Post-retirement mortality assumptions: For ages less than 55, RP- 2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitant. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1930) mortality assumptions: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

IV. Schedule of City’s Contributions – Fire and Police “Old Hire” Plan

A. Changes to assumptions

1. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

The asset method valuation approximates smoothing over a five-year period by recognizing 20% of the difference between the projected actuarial value and the market value at the valuation date. The remaining amortization period is 17 years.

Disabled (pre-1980) mortality assumptions: RP-2000 Disabled Mortality Table generationally projected with Scale AA.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2019

Revenues	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fees for General Services:				
Service and usage fees	1,336,973	1,336,973	1,397,458	60,485
Water line maintenance	199,672	199,672	206,066	6,394
Commercial demand charges	99,264	99,264	95,437	(3,827)
Other revenues	38,216	38,216	44,335	6,119
Water leases	10,300	10,300	2,550	(7,750)
Total Fees for General Services	<u>1,684,425</u>	<u>1,684,425</u>	<u>1,745,846</u>	<u>61,421</u>
Intergovernmental Revenue				
State grants	430,000	430,000	38,750	(391,250)
Total Intergovernmental Revenue	<u>430,000</u>	<u>430,000</u>	<u>38,750</u>	<u>(391,250)</u>
Capital Revenue:				
System development fees	557,545	557,545	457,586	(99,959)
Sale of water meters	16,080	16,080	20,273	4,193
Total Capital Revenue	<u>573,625</u>	<u>573,625</u>	<u>477,859</u>	<u>(95,766)</u>
Other Revenue:				
Interest revenue	6,335	6,335	37,866	31,531
Miscellaneous revenue	165	165	452	287
Total Other Revenue	<u>6,500</u>	<u>6,500</u>	<u>38,318</u>	<u>31,818</u>
Total Revenues	<u>2,694,550</u>	<u>2,694,550</u>	<u>2,300,773</u>	<u>(393,777)</u>
Expenses				
Administration - Water:				
Personnel services	87,470	87,470	94,926	(7,456)
Contracted services	56,500	56,500	51,125	5,375
Supplies and materials	2,500	2,500	2,410	90
Other operating costs	10,700	10,700	17,921	(7,221)
Total Administration - Water	<u>157,170</u>	<u>157,170</u>	<u>166,382</u>	<u>(9,212)</u>
Public Works - Water:				
Personnel services	239,803	239,803	208,010	31,793
Contracted services	63,500	63,500	35,366	28,134
Supplies and materials	18,800	18,800	27,262	(8,462)
Other operating costs	36,050	36,050	29,938	6,112
Financing obligations	155,353	155,353	75,159	80,194
Total Public Works - Water	<u>513,506</u>	<u>513,506</u>	<u>375,735</u>	<u>137,771</u>

(continued)

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Water Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Expenses, Continued				
Water Plant:				
Personnel services	274,956	274,956	276,755	(1,799)
Contracted services	38,800	38,800	45,591	(6,791)
Supplies and materials	59,150	59,150	34,536	24,614
Utilities	59,400	59,400	85,063	(25,663)
Other operating costs	134,250	134,250	97,425	36,825
Financing obligations	49,075	49,075	5,976	43,099
Total Water Plant	<u>615,631</u>	<u>615,631</u>	<u>545,346</u>	<u>70,285</u>
Capital outlay	888,000	888,000	510,292	377,708
Total Expenses	<u>2,174,307</u>	<u>2,174,307</u>	<u>1,597,755</u>	<u>576,552</u>
Other Financing Sources (Uses)				
Transfers (out)	-	(620,000)	(615,467)	4,533
Total Other Financing Sources (Uses)	<u>-</u>	<u>(620,000)</u>	<u>(615,467)</u>	<u>4,533</u>
Excess of Revenues Over (Under)				
Expenses - Budget Basis	<u>520,243</u>	<u>(99,757)</u>	<u>87,551</u>	<u>187,308</u>
GAAP Basis Adjustments				
Capitalized expenses			216,396	
Depreciation			(462,568)	
Gain (loss) on sale of assets			(17,205)	
Debt principal			44,909	
Total GAAP Basis Adjustments			<u>(218,468)</u>	
Net Income - GAAP Basis			(130,917)	
Net Position, beginning of year			<u>14,089,927</u>	
Net Position, end of year			<u>13,959,010</u>	

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Net Assets
Sewer Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2019

Revenues	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fees for General Services:				
Metered service and usage fees	1,155,078	1,155,078	1,194,133	39,055
Unmetered wastewater charges	83,422	83,422	75,803	(7,619)
Septage receiving	90,672	90,672	68,547	(22,125)
Lab analysis fees	28,334	28,334	25,915	(2,419)
Other	17,298	17,298	13,702	(3,596)
Total Fees for General Services	<u>1,374,804</u>	<u>1,374,804</u>	<u>1,378,100</u>	<u>3,296</u>
Capital Revenue:				
System development fees	456,207	456,207	677,548	221,341
Total Capital Revenue	<u>456,207</u>	<u>456,207</u>	<u>677,548</u>	<u>221,341</u>
Other Revenue:				
Interest revenue	28,020	28,020	75,547	47,527
Miscellaneous revenue	165	165	162	(3)
Total Other Revenue	<u>28,185</u>	<u>28,185</u>	<u>75,709</u>	<u>47,524</u>
Total Revenues	<u>1,859,196</u>	<u>1,859,196</u>	<u>2,131,357</u>	<u>272,161</u>
Expenses				
Administration - Wastewater:				
Personnel services	88,820	88,820	94,706	(5,886)
Contracted services	12,600	12,600	3,409	9,191
Supplies and materials	1,500	1,500	2,300	(800)
Other operating costs	11,300	11,300	15,773	(4,473)
Total Administration - Wastewater	<u>114,220</u>	<u>114,220</u>	<u>116,188</u>	<u>(1,968)</u>
Public Works - Wastewater:				
Personnel services	201,102	201,102	213,154	(12,052)
Contracted services	213,500	213,500	255,045	(41,545)
Supplies and materials	12,900	12,900	11,229	1,671
Utilities	720	720	1,692	(972)
Other operating costs	12,000	12,000	8,204	3,796
Total Public Works - Wastewater	<u>440,222</u>	<u>440,222</u>	<u>489,324</u>	<u>(49,102)</u>

(continued)

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Sewer Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Expenses, Continued				
Wastewater Plant:				
Personnel services	311,487	311,487	284,505	26,982
Contracted services	44,800	44,800	37,471	7,329
Supplies and materials	66,000	66,000	56,317	9,683
Utilities	131,800	131,800	136,522	(4,722)
Other operating costs	142,999	142,999	117,238	25,761
Financing obligations	480,484	480,484	479,178	1,306
Total WasteWater Plant	<u>1,177,570</u>	<u>1,177,570</u>	<u>1,111,231</u>	<u>66,339</u>
Capital outlay	<u>1,040,000</u>	<u>1,040,000</u>	<u>569,132</u>	<u>470,868</u>
Total Expenses	<u>2,772,012</u>	<u>2,772,012</u>	<u>2,285,875</u>	<u>486,137</u>
Other Financing Sources				
Transfers (out)	-	(20,000)	(19,813)	187
Total Other Financing Sources (Uses)	<u>-</u>	<u>(20,000)</u>	<u>(19,813)</u>	<u>187</u>
Excess of Revenues Over (Under)				
Expenses - Budget Basis	<u>(912,816)</u>	<u>(932,816)</u>	<u>(174,331)</u>	<u>758,485</u>
GAAP Basis Adjustments				
Capitalized expenses			563,926	
Gain (loss) on sale of assets			(11,744)	
Depreciation			(892,838)	
Debt service principal			210,034	
Total GAAP Basis Adjustments			<u>(130,622)</u>	
Net Income - GAAP Basis			(304,953)	
Net Position, beginning of year			<u>10,489,787</u>	
Net Position, end of year			<u>10,184,834</u>	

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

CITY OF SALIDA, COLORADO
Schedule of Revenues, Expenditures and Changes in Net Assets
Steamplant Event Center Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2019

Revenues	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Rentals:				
Room rentals	138,700	138,700	145,069	6,369
Other rentals	20,000	20,000	25,433	5,433
Total Rentals	<u>158,700</u>	<u>158,700</u>	<u>170,502</u>	<u>11,802</u>
Intergovernmental Revenue:				
State grants	-	-	4,000	4,000
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Sales				
Food sales	2,500	2,500	2,310	(190)
Beverage sales	102,500	102,500	131,826	29,326
Merchandise sales	2,500	2,500	5,216	2,716
Total Sales	<u>107,500</u>	<u>107,500</u>	<u>139,352</u>	<u>31,852</u>
Other Charges for Services:				
Ticket sales	24,000	24,000	38,815	14,815
Event sponsorship fees	10,000	10,000	14,550	4,550
Caterer Fee	8,500	8,500	14,815	6,315
Total Other Charge for Services	<u>42,500</u>	<u>42,500</u>	<u>68,180</u>	<u>25,680</u>
Other Revenue:				
Donations	-	-	903	903
Other services	5,000	5,000	12,564	7,564
Other miscellaneous revenues	-	-	2,123	2,123
Total Other Revenue	<u>5,000</u>	<u>5,000</u>	<u>15,590</u>	<u>10,590</u>
Total Revenues	<u>313,700</u>	<u>313,700</u>	<u>397,624</u>	<u>83,924</u>
Expenses				
Cost of sales	114,000	114,000	131,347	(17,347)
Personnel services	375,754	375,754	353,526	22,228
Contracted services	7,900	7,900	6,358	1,542
Supplies and materials	16,470	16,470	15,774	696
Utilities	30,200	30,200	32,698	(2,498)
Other operating costs	54,000	54,000	61,187	(7,187)
Repair and maintenance	17,500	17,500	17,910	(410)
Capital outlay	140,000	140,000	38,174	101,826
Total Expenses	<u>755,824</u>	<u>755,824</u>	<u>656,974</u>	<u>98,850</u>
Other Financing Sources (Uses)				
Transfers in	-	360,000	60,000	(300,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>360,000</u>	<u>60,000</u>	<u>(300,000)</u>
Excess of Revenues Over (Under)				
Expenses - Budget Basis	<u>(442,124)</u>	<u>(82,124)</u>	<u>(199,350)</u>	<u>(117,226)</u>
GAAP Basis Adjustments				
Capitalized expenses			7,899	
Depreciation			(98,016)	
Gain (loss) on sale of assets			(1,000)	
Total GAAP Basis Adjustments			<u>(91,117)</u>	
Net Income - GAAP Basis			(290,467)	
Net Position, beginning of year			<u>2,022,780</u>	
Net Position, end of year			<u>1,732,313</u>	

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Salida, Colorado
YEAR ENDING : December 2019	
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)	1,480,934
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	232,165
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	9,315
2. General fund appropriations	-	b. Snow and ice removal	59,591
3. Other local imposts (from page 2)	2,128,256	c. Other	66,753
4. Miscellaneous local receipts (from page 2)	45,132	d. Total (a. through c.)	135,659
5. Transfers from toll facilities	-	4. General administration & miscellaneous	364,859
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	518,977
a. Bonds - Original Issues	-	6. Total (1 through 5)	2,732,594
b. Bonds - Refunding Issues	-	B. Debt service on local obligations:	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	-
7. Total (1 through 6)	2,173,388	b. Redemption	-
B. Private Contributions	-	c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	309,255	2. Notes:	
D. Receipts from Federal Government (from page 2)	-	a. Interest	-
E. Total receipts (A.7 + B + C + D)	2,482,643	b. Redemption	-
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	-
		D. Payments to toll facilities	-
		E. Total disbursements (A.6 + B.3 + C + D)	2,732,594

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,482,643	2,732,594		(249,951)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	-	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	45,132
1. Sales Taxes	2,128,256	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	-	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	-	g. Other Misc. Receipts	-
6. Total (1. through 5.)	2,128,256	h. Other	-
c. Total (a. + b.)	2,128,256	i. Total (a. through h.)	45,132
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	272,925	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	36,330	d. Federal Transit Admin	-
d. Other (Specify) - DOLA Grant	-	e. U.S. Corps of Engineers	-
e. Other (Specify)	-	f. Other Federal	-
f. Total (a. through e.)	36,330	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	309,255	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	-	-	-
b. Engineering Costs	20,688	161,416	182,104
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	304	8,484	8,788
(4). System Enhancement & Operation	-	1,290,042	1,290,042
(5). Total Construction (1) + (2) + (3) + (4)	304	1,298,526	1,298,830
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	20,992	1,459,942	1,480,934
			(Carry forward to page 1)

Notes and Comments: