

THE CITY OF
DURANGO, COLORADO
2019



Comprehensive Annual Financial Report
for the year ending December 31, 2019

CITY OF DURANGO, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2019



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INTRODUCTORY SECTION





March 16, 2021

To the Mayor, Members of Council and Citizens of the City of Durango:

The Charter of the City of Durango and State law require local governments to publish the results of its annual audit and a comprehensive report of financial statements. The report is to conform to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the comprehensive annual financial report of the City of Durango, Colorado for the fiscal year ended December 31, 2019.

This report consists of management's representations concerning the finances of the City of Durango. Consequently, management retains full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Durango financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits. Management has designed the City of Durango's framework of internal controls to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Durango's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2019, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the City of Durango for fiscal year 2019 are fairly presented in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Durango's MD&A can be found immediately following Eide Bailly, LLP's independent audit report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Uniform Guidance. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued report.

Profile of the City of Durango

The City of Durango, incorporated in 1881, is located in southwest Colorado in the area known as the Four Corners, where the states of Colorado, Arizona, Utah and New Mexico converge. As the county seat for La Plata County, Durango is a regional hub for commerce. It is also home to Fort Lewis College, a four-year state college with Durango is surrounded by two million acres of the San Juan National Forest. Public lands occupy over 41% of La Plata County's total acreage.

The City is a home rule city, organized under provisions of the Colorado Constitution. The City Charter, first adopted in 1912, provides for the council-manager form of local government. Policymaking and legislative authority is vested in a governing council consisting of five members elected at large on a non-partisan basis to staggered four-year terms. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing advisory and commission members, and hiring the city manager, city attorney, and municipal judge. The city manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the department directors and other staff members.

The City provides a full range of services to its residents, including general government, public safety, streets and highways, parks and recreation, transportation, planning and community development, public works, and public utilities. The City's recreation programs and facilities are utilized heavily by residents of La Plata County and we continue to be the largest provider of these services within the county. The City's utilities include water treatment, wastewater treatment, and solid water disposal and recycling. The City also operates a transportation services enterprise, including metered spaces and several parking lots, and provides public transportation within the city limits.

Management includes component units in the reporting entity in conformance with generally accepted accounting principles. The financial statements include all funds that make up the legal entity of the "primary government", namely the City, as well as organizations for which the City is financially accountable. The City's reporting entity includes the Durango Conference Center Business Improvement District. The District is shown separately in the financial statements from the primary government. The City also participates in a joint venture with La Plata County. The Durango La Plata County Airport is jointly owned by the City of Durango and La Plata County and operates under an intergovernmental agreement signed by both parties. Separate financial statements are issued for the airport.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests to the city manager in August of each year. The city manager then uses those requests to develop the proposed budget, which is usually presented to the City Council in September. The Council is required to hold a public hearing prior to final adoption of the budget. Pursuant to the City Charter, the City Council shall adopt the final budget in a timely manner prior to the start of the ensuing budget year. An annual appropriation ordinance must also be adopted. The appropriations ordinance is prepared and adopted by fund and in the case of capital projects and grants, by project and grant. The city manager may make transfers of appropriations within a department. Transfers of appropriations between departments and/or funds and additional appropriations require the special approval of the City Council.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 80 as part of the Required Supplementary Information. For all other budgeted funds, these comparisons are presented in the Supplementary Information subsection, which starts on page 82.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which the City of Durango operates.

Local economy: Financially, fiscal 2019 showed increases over previous years. However local tourism suffered during 2018 due to extreme natural events including the 416 fire that began on June 1st lasting over a month and severe drought conditions. Lodgers' tax, which is one of the economic indicators for tourism strength, increased 6.2% in 2019. Total passenger traffic at the Durango La Plata County Airport reached an all-time record.

The city, being the major shopping destination in the county, has reaped the benefits of population growth in the form of increased sales tax collections over the past ten years since the downturn in 2009. 2019 sales tax revenues were up 13% over 2018. Sales tax continues to improve, and a moderate forecast is in the future. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory ski area, the presence of Fort Lewis College, and the "small town" appeal of Durango have all contributed to the sustained growth. Increases in sales tax revenues have been attributed in large part to growth in the City's south corridor in the last several years. Durango is a regional shopping destination and the sales tax trends have supported this position. The large national chains, such

as Wal-Mart, Office Depot, and Home Depot, continue to locate here. A new Ross opened at the Durango Mall in 2017 after a new TJ Maxx had opened there in 2012, and a new Tractor Supply and Sally's Beauty Supply opened in 2013. Fort Lewis College continues to be an important player, adding to the area's economic stability, health and cultural enhancement.

In addition, Downtown Durango continues to be a regional draw and gathering place for community events including Snowdown, Taste of Durango, Four Corners Bike Rally, Fiesta Days, Animas River Days, Noel Night, 4th of July events and fireworks, among many others. These events also result in additional business for the downtown retailers and restaurants. Recent honors for the City include: Best Fall Hiking Trails by *Insider.com* (2018), 50 of the Best US Ski Resorts by *Business Insider* (2018), Best Mountain Bike Destinations in Colorado by *The Travel Channel* (2018), 10 Best Family-Friendly Road Trip in the US by *Wise Bread* (2018), 14 Coolest Town for your Summer Vacation by *Forbes* (2018), Top US Wonders to Visit this Spring by *USA Today* (2018), and The World's Best Bars for Bookworms by *Tasting Table* (2018).

City building activity continued to be strong in 2019 compared to 2018. Although the number of residential units decreased, the total number of permits issued in 2019 (539) surpassed the 2017 total. The amount of residential remodels or additions in 2019 remained consistent with 2018, reflecting a strong ongoing investment in existing housing stock. The year's new commercial construction saw a decrease compared to 2018 but it was still higher than the years between 2010 and 2016.

City sales tax collections for 2019 showed an increase of 11.3% over 2018 collections, partially due to the start of collections of a new .5 cent sales tax for road improvements. Locally in 2019 we saw increases in growth and employment. Real estate values increased and housing prices remain a problem for low to moderate income families.

According to the Office of State Planning and Budgeting, most indicators suggest Colorado and the nation are both expected to see ongoing economic expansion but at a moderating pace. Per capita personal income and average annual pay remain above the national average, as a tighter labor market puts upward pressure on wages. Current recession risk has increased as concerns of slower global growth and the ongoing trade dispute cause increased caution among investors. Local conditions around the State remain mixed as some areas have been hit harder than others. Colorado's agriculture sector continues to weather weak commodity prices. Colorado oil production remains at record levels despite a drop-in prices. Higher Colorado labor force participation rates have supported continued job growth despite a tighter labor market. Colorado's unemployment rate has risen slightly as more workers enter the labor force ending the year at 2.2%. U.S. and Colorado housing markets have slowed slightly, but new construction and price growth are expected to continue. Historically, the Colorado economy has tended to lag the national economy, so any serious downturn in the national condition eventually works its way to Colorado. Weakness and uncertainty at the national level have fed into economic indicators in Colorado, but a strong energy sector and reasonable housing fundamentals should ensure that the state remains insulated from the worst of the impacts to the rest of the country.

Long-term financial planning: The City budget includes a five-year capital improvement program. Over the next five years, it is anticipated that the City will initiate or complete projects in excess of \$152,722,450. On an annual basis the City sets its priorities and designates sources of funding for those projects for the next five years. Because the program is reviewed annually in conjunction with the budget, it is very dynamic and flexible. Infrastructure needs continue to be a top priority. Major street improvements, water mains, water treatment plant construction, wastewater treatment plant upgrades, and storm drainage improvements are all scheduled over the next five years. Major public works projects scheduled for 2020 include \$3.8 million in water and sewer projects. Over \$6.2 million dollars will be spent in 2020 on park and recreation projects. Streets and associated improvements remain a priority over the next five years. Major improvements to Main Avenue and Second Avenue are all programmed. Traffic congestion as the county's population grows remains an issue that must be addressed. The city was fortunate to receive voter approval at the April 2005 municipal election to increase City sales and use taxes by an additional one-half percent. The proceeds of the new tax restricted with 50% of the revenue allocated to parks, open space, and trails and 50% to capital improvements. In the April 2019 municipal election the City was fortunate to receive voter approval to increase City sales and use taxes by an additional one-half percent. The proceeds of the new tax are restricted to street infrastructure and operations. The tax collection began on July 1, 2019 and will sunset on June 30, 2029.

Debt management: The ratio of net general bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. The City does not have any general obligation debt outstanding. At December 31, 2019 the City had \$16,675,000 of sales and use tax revenue bonds, series 2016 and series 2017, outstanding. All required debt covenants are currently being met. In addition, an additional \$4,000,000 was borrowed to secure water rights and water storage for many years to come. There was \$2,910,599 outstanding at December 31, 2019 and this loan is being repaid by the Water Fund. Certificates of participation were issued in the amount of \$2,700,000 in 2014 for the construction of Wilson Gulch Road in Three Springs development. This road will provide the impetus for future commercial development in the area. There was \$2,185,000 outstanding at December 31, 2019. In 2016, the City borrowed \$62,200,000 to construct a new water reclamation facility to replace the old, outdated wastewater treatment plant. This loan is being repaid by the Sewer Fund. At December 31, 2019, \$53,807,942 was outstanding.

Major Initiatives: The City continues to work toward financial sustainability. In 2019 as well as in the 2020 budget major initiative are set forth to take the city into the future. Infrastructure maintenance and building up fund balance in all funds continues to be a top priority. Recognizing the value of our employees continues to be an important aspect of our budget as well as customer service and citizen engagement. As we strive to achieve these goals and initiatives, we continue to meet all financial goals and objectives.

Awards and Acknowledgements

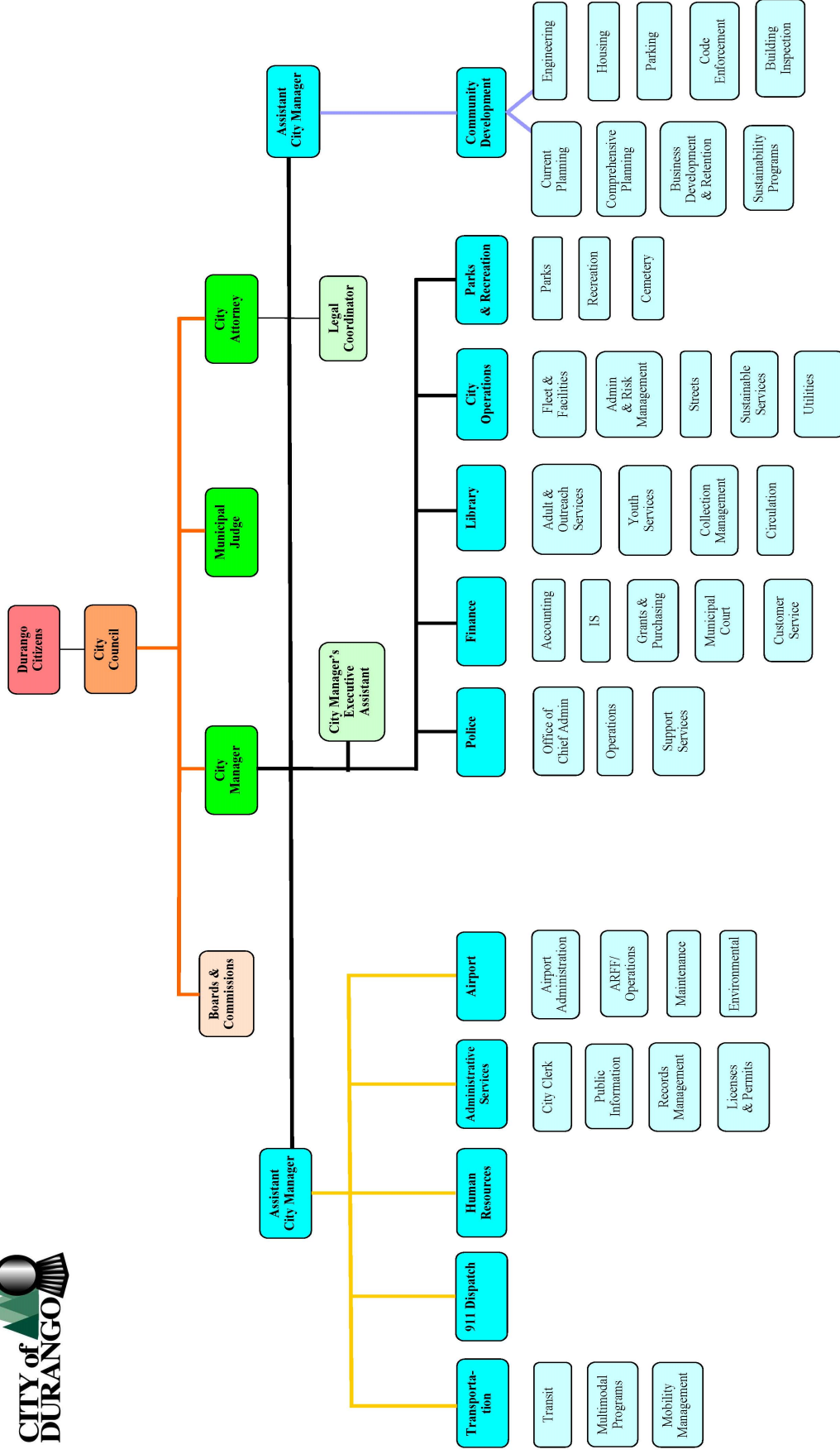
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Durango for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the thirty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation and completion of this report could not have been accomplished without the dedication and efficiency of the entire staff of the Finance Department. This report is, indeed, a tribute to our accounting and information systems staff who worked long and hard in preparing the support information and financial statements for this report. I would like to express my appreciation to Eide Bailly LLP, the firm that serves as the City's external auditors. Credit must also be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Durango's finances.

Respectfully submitted,

Jose Madrigal
City Manager

Cynthia Sneed, CPA
Finance Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Durango
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

City of Durango, Colorado
List of Elected and Appointed Officials

Elected Officials: City Council

Dean Brookie	Mayor
Kim Baxter	Mayor Pro Tem
Chris Bettin	Council Member
Melissa Youssef	Council Member
Barbara Noseworthy	Council Member

Council Appointed Officials

Dirk Nelson	City Attorney
James Casey	Municipal Judge
Jose Madrigal	City Manager

Department Directors

911 Communications Director	Vacant
Administrative Services Director	Amy Phillips
Assistant City Manager/Community Development Director	Kevin Hall
Assistant City Manager/Transportation Services Director	Amber Blake
Aviation Director	Tony Vicari
City Operations Director	Levi Lloyd
Finance Director	Cynthia Sneed
Human Resources Director	Erin Hyder
Library Director	Sandy Irwin
Parks and Recreation Director	Catherine Metz
Police Services Director	Robert Brammer



FINANCIAL SECTION





Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Durango, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Durango, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement

As described in Note 4-E to the financial statements, the City determined there to be restatements of prior period balances due to errors noted related to sales tax revenues which should have been recorded during the prior period and items that were capitalized by the City that should have been expensed in prior years. These changes resulted in a restatement of prior period fund balance and net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 27, schedule of changes in net pension liability, schedule of pension contributions, and the budgetary comparison information on pages 77 through 80, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Durango's basic financial statements. The introductory section, supplementary information as identified in the table of contents, Local Highway Finance Report, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information as identified in the table contents 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information as identified in the table contents and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2021 on our consideration of the City of Durango's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Durango's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Durango's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sallie LLP".

Denver, Colorado
March 16, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Durango, Colorado (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$333,235,951 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$257,121,346 includes property, plant and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$4,214,407 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$71,900,198 represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$22,834,654 this year. This compares to the prior year ending fund balance of \$18,743,132 resulting in an increase of \$4,091,522 during the current year.
- At the end of the fiscal year, unassigned and assigned fund balance for the General Fund was \$8,947,614, or 23% of total General Fund expenditures and other financing uses.
- Overall, the City continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers. Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, library, community services and economic development. Business-type activities include the water and sewer systems, solid waste, parking, and transit.

The government-wide financial statements are presented on pages 29 and 30 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 31 through 34 of this report. Individual fund information for nonmajor governmental funds is found in combining statements in the supplementary section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds for its water and sewer systems, sustainable services, parking and transportation services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Durango's various functions. The City of Durango uses internal service funds to account for its warehouse, fleet, risk management and insurance functions. Because these four services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

The basic enterprise fund financial statements are presented on pages 35 through 37 of this report. Individual fund information for nonmajor enterprise funds are found in the combining statements in the supplementary section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 38 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. Required supplementary information is on page 77 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds can be found in the supplementary section of this report beginning on page 82.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources at fiscal year-end exceeded liabilities and deferred inflows of resources by \$333,235,951. The following table provides a summary of the City's net position:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
Assets:						
Current and other assets	\$ 60,108,160	\$ 50,473,176	\$ 33,749,249	\$ 51,819,772	\$ 93,857,409	\$ 102,292,948
Capital assets	192,627,239	193,100,996	137,561,875	122,101,672	330,189,114	315,202,668
Total Assets	252,735,399	243,574,172	171,311,124	173,921,444	424,046,523	417,495,616
Deferred Outflows of Resources						
Loss on refunding	328,849	365,388	-	-	328,849	365,388
Related to pension	399,735	249,148	-	-	399,735	249,148
Total Deferred Outflows of Resources	728,584	614,536	-	-	728,584	614,536
Liabilities						
Other liabilities	4,638,332	3,542,525	2,560,893	8,400,470	7,199,225	11,942,995
Long-term liabilities	23,278,145	25,104,250	58,144,147	60,767,089	81,422,292	85,871,339
Total Liabilities	27,916,477	28,646,775	60,705,040	69,167,559	88,621,517	97,814,334
Deferred Inflows of Resources						
Property taxes	2,917,639	2,720,674	-	-	2,917,639	2,720,674
Related to pension	-	19,100	-	-	-	19,100
Total Deferred Inflows of Resources	2,917,639	2,739,774	-	-	2,917,639	2,739,774
Net Position						
Net investment in capital assets	173,568,700	171,770,608	83,552,646	79,146,150	257,121,346	250,916,758
Restricted for	4,214,407	4,197,716	-	-	4,214,407	4,197,716
Unrestricted	44,846,760	36,833,835	27,053,438	25,607,735	71,900,198	62,441,570
Total Net Position	\$ 222,629,867	\$ 212,802,159	\$ 110,606,084	\$ 104,753,885	\$ 333,235,951	\$ 317,556,044

*The City was unable to reflect the impact of the prior period adjustments on 2018 net position balances. See Note 4-E for additional information on current year impact.

By far the largest portion of the City's net position (77.2%) reflects its investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The City of Durango uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Durango's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

At the end of the current fiscal year, the City of Durango is able to report positive balances in the government as a whole, as well as for both its governmental activities and business-type activities. Governmental activities showed positive growth. Net position increased \$9,452,162 for governmental activities. The City's overall financial position improved during fiscal year 2019.

The following table provides a summary of the City's changes in net position:

Summary of Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
Revenues						
Program:						
Charges for services	\$ 9,577,622	\$ 8,111,926	\$ 19,834,518	\$ 20,251,089	\$ 29,412,140	\$ 28,363,015
Joint venture-airport	2,779,828	1,145,902	-	-	2,779,828	1,145,902
Operating grants	1,162,030	783,635	1,266,078	1,082,586	2,428,108	1,866,221
Capital grants	1,934,943	3,812,042	1,967,353	2,265,850	3,902,296	6,077,892
General:					-	-
Taxes	42,208,361	38,577,012	-	-	42,208,361	38,577,012
Other	2,725,991	1,757,677	795,871	772,411	3,521,862	2,530,088
Total Revenues	<u>60,388,775</u>	<u>54,188,194</u>	<u>23,863,820</u>	<u>24,371,936</u>	<u>84,252,595</u>	<u>78,560,130</u>
Expenses:						
Program Expenses:						
General government	10,838,196	9,889,447	-	-	10,838,196	9,889,447
Public safety	14,679,218	14,551,095	-	-	14,679,218	14,551,095
Public works	9,390,279	8,258,321	-	-	9,390,279	8,258,321
Parks and recreation	10,158,829	10,306,478	-	-	10,158,829	10,306,478
Library	2,785,741	2,275,892	-	-	2,785,741	2,275,892
Community services	1,302,020	1,168,207	-	-	1,302,020	1,168,207
Economic development	862,114	724,246	-	-	862,114	724,246
Interest	570,216	666,491	-	-	570,216	666,491
Water	-	-	5,335,098	4,742,452	5,335,098	4,742,452
Sewer	-	-	5,402,629	5,107,230	5,402,629	5,107,230
Sustainable services	-	-	2,856,608	2,838,228	2,856,608	2,838,228
Transit	-	-	3,606,291	3,359,309	3,606,291	3,359,309
Total expenses	<u>50,586,613</u>	<u>47,840,177</u>	<u>17,200,626</u>	<u>16,047,219</u>	<u>67,787,239</u>	<u>63,887,396</u>
Excess (deficiency)	9,802,162	6,348,017	6,663,194	8,324,717	16,465,356	14,672,734
Transfers	(350,000)	(250,000)	350,000	250,000	-	-
Change in net position	<u>9,452,162</u>	<u>6,098,017</u>	<u>7,013,194</u>	<u>8,574,717</u>	<u>16,465,356</u>	<u>14,672,734</u>
Beginning net position (as restated)	<u>213,177,705</u>	<u>206,704,142</u>	<u>103,592,890</u>	<u>96,179,168</u>	<u>316,770,595</u>	<u>302,883,310</u>
Ending net position	<u>\$ 222,629,867</u>	<u>\$ 212,802,159</u>	<u>\$ 110,606,084</u>	<u>\$ 104,753,885</u>	<u>\$ 333,235,951</u>	<u>\$ 317,556,044</u>

*The City was unable to reflect the impact of the prior period adjustments back to the beginning of fiscal year 2019. See Note 4-E for additional information on current year impact.

GOVERNMENTAL REVENUES

The City is heavily reliant on sales and use taxes to support governmental operations. City sales and use taxes account for 44% of the revenues for governmental activities. The City increased the sales and use tax rate from 3.0% to 3.5%, effective April 2, 2019. The increased revenue from the additional tax is restricted by voter authorization. Because of the City's healthy financial position, we have been able to earn \$588,877 in interest earnings to support governmental activities in spite of declining interest rates. Program revenues covered 31% of governmental operating expenses in 2019. This means that the government's taxpayers and the City's other general revenues funded the balance of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams. Program revenues for fiscal 2018 covered 29% of governmental operating expenses.

GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety comprises 22% of the City's total expenses and 28% of the total governmental expenses. Parks and recreation make up 23% of the total expenses and 31% of the total governmental expenses. General government and public works are 21% and 8% of total governmental expenses. These percentages are very similar to the prior fiscal year 2018 percentages. The overall increase in governmental expenses was 5.7% over the prior fiscal year.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	\$ 10,838,196	21%	\$ 5,618,790	15%
Public safety	14,679,218	28%	12,906,391	34%
Public works	9,390,279	19%	8,415,576	22%
Parks and recreation	10,158,829	20%	5,474,519	14%
Library	2,785,741	6%	2,762,392	7%
Community services	1,302,020	3%	1,302,020	3%
Economic development	862,114	2%	862,114	2%
Interest on long-term debt	570,216	1%	570,216	2%
Total	<u>\$ 50,586,613</u>	<u>100%</u>	<u>\$ 37,912,018</u>	<u>100%</u>

As indicated, public safety consists of approximately 28% of the gross costs of the governmental activities and 34% of the net costs. The parks and recreation function has the best cost recovery. Recreation center fees and recreation program revenues are set to recover approximately 90% of the expenses for the center and recreation programs. The City received more in the form of operating grants and less in the form of contributions and capital grants and developer contributions in 2019. While these program revenues can vary in any given years, the corresponding acquisition of assets does not appear as a program expense. For that reason, program revenues can fluctuate dramatically from year to year depending on the amount of capital grants and contributions received. For the most part, increases in expenses reflect inflationary pressures on supplies and purchased services rather than increases in programs or services provided by the City.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$7,013,194. Key elements of business-type activities net position are as follows:

The operating revenues for all of the enterprise funds were 1.2% more than 2018 and operating expenses were 7.7% less than 2018. Within the total business type activities of the City, these activities reported an increase in net position of \$7,013,194 compared to an increase of \$8,574,717 in the prior year.

The water utility accounts for approximately 34.3% of operating revenues and 32.5% of operating expenses. This utility reported a net increase in net position of \$3,740,406. The water utility had operating income of \$1,637,530 and capital contributions of \$1,767,072.

The sewer fund continues to focus on infrastructure replacement and repair. Operating expenses increased 8.2% over the prior year. Operating revenues saw an increase of 0.71% over the prior year. Net operating income for 2019 was \$3,362,581 in comparison to \$3,649,853 in 2018.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$22,834,654. Of this year-end total, \$14,894,956 is restricted, committed or assigned fund balance, \$2,506,897 of that amount in the general fund with the remainder of \$12,388,059 million in the capital projects funds and other governmental funds.

The total ending fund balances of governmental funds show an increase of \$4,091,522 over the prior year. This increase is primarily the result of the events and programs in the General Fund. The General Fund fund balance increased \$3,066,728.

Major Governmental Funds

The General Fund:

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$3,066,728. In fiscal year 2018, the fund balance increased by \$960,289.

Total revenues for 2019 were \$41,795,452, an increase of \$3,648,906 or 9.6% over 2018. City sales taxes increased by \$508,006 or 3.2% over that recognized in 2018. City use taxes decreased 6.1% (\$65,188) over collections in 2018. Use tax collections have been volatile through this recovery. The construction industry has slowed compared to previous years. The remaining revenue sources were comparable with the prior year.

Expenditures for 2019 were \$39,450,808, an increase of 4% over fiscal 2018.

Public works expenditures increased 6.6% over actual for 2018. Maintenance costs for materials, limited snow removal from major snowstorms and increases in fuel and utility charges for street lighting had a major impact on public works expenditures this year although other expenditures were kept in line. Parks and Recreation expenditures increased at a rate of 4.6% over last year. In 2019, the City parks and recreation department adopted a lofty goal of achieving a 90% cost recovery for all parks and recreation programs as well as at the recreation center. Several new parks positions were created and filled in 2014 attributing to the increased expenditures. The City continues to move forward with many sustainable policies and actions to ensure energy savings.

Buildings and plant account for over 27.3% of the expenditures in this division. Maintenance costs and utility charges for all general city buildings continue to affect expenditures.

The City traditionally transfers between \$1,000,000 to \$2,000,000 annually for capital projects. This amount fluctuates based on available resources in any given year and staff's ability to administer additional projects. Capital projects, once the City Council authorizes them, carry forward until completion.

The Capital Projects Fund

The capital projects fund at December 31, 2019 had authorized projects either completed or underway in excess of \$25 million dollars. In addition to transfers in from the general fund and other special revenue funds, the capital projects fund received intergovernmental revenues of approximately \$748,695 for the year 2019.

The Capital Improvements Fund

The capital improvements fund received sales and use tax revenues of approximately \$2.2 million in 2019. Debt service on two large projects, the library and Florida Road construction, is paid from these revenues.

The Parks, Open Space & Trails Fund

The parks, open space & trails fund at December 31, 2019 had authorized projects underway in excess of just over \$2 million dollars. This fund received sales and use tax revenues of approximately \$2.2 million.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Budgetary Highlights

The General Fund – During 2019, there were budget amendments to the General Fund for both revenues and expenditures. Sales taxes were above budget projections by \$216,884. Use taxes saw a shortfall in the amount of \$265,788.

Investment earnings stayed stable from original estimates because of lower than anticipated interest rates on securities that the City purchases for its portfolio. The City generally holds investments until maturity and is in the market monthly. The average rate of return has been decreasing steadily as rate declines are made and as the City reinvests matured securities in lower interest rate securities. As interest rates continued to increase throughout 2019, investment earnings saw a substantial increase during 2019.

The final general fund budget for expenditures had a favorable variance of \$3.5 million. City departments traditionally spend less than the approved budget by approximately 5-8% annually and that trend has continued for calendar year 2019.

Capital Assets and Debt Administration

Capital Assets

The City's net investments in capital assets, for governmental and business-type activities as of December 31, 2019, was \$173,568,700 and \$83,552,646, respectively. The net capital assets for the internal service funds are reported with the governmental activities on the statement of net position. The total increase in the net investment was 1.0% for governmental activities and 5.6% for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
Non-depreciable assets:						
Land	\$ 29,987,277	\$ 29,987,277	\$ 5,493,887	\$ 5,020,953	\$ 35,481,164	\$ 35,008,230
Water rights	-	-	5,852,732	5,852,732	5,852,732	5,852,732
Construction in progress	6,860,148	6,144,682	3,814,039	55,320,653	10,674,187	61,465,335
Total non-depreciable	<u>36,847,425</u>	<u>36,131,959</u>	<u>15,160,658</u>	<u>66,194,338</u>	<u>52,008,083</u>	<u>102,326,297</u>
Depreciable assets:						
Buildings	49,187,774	46,550,168	87,449,623	21,805,423	136,637,397	68,355,591
Improvements	1,101,610	1,101,610	-	-	1,101,610	1,101,610
Equipment	24,629,313	24,393,607	9,860,520	8,179,271	34,489,833	32,572,878
Infrastructure	238,904,460	233,471,629	70,832,191	69,226,430	309,736,651	302,698,059
Total depreciable assets	<u>313,823,157</u>	<u>305,517,014</u>	<u>168,142,334</u>	<u>99,211,124</u>	<u>481,965,491</u>	<u>404,728,138</u>
Less accumulated depreciation	<u>158,043,343</u>	<u>148,547,977</u>	<u>45,741,117</u>	<u>43,303,790</u>	<u>203,784,460</u>	<u>191,851,767</u>
Book value-depreciable assets	<u>155,779,814</u>	<u>156,969,037</u>	<u>122,401,217</u>	<u>55,907,334</u>	<u>278,181,031</u>	<u>212,876,371</u>
Percentage depreciated	<u>50%</u>	<u>49%</u>	<u>27%</u>	<u>44%</u>	<u>42%</u>	<u>47%</u>
Total book value	<u>\$ 192,627,239</u>	<u>\$ 193,100,996</u>	<u>\$ 137,561,875</u>	<u>\$ 122,101,672</u>	<u>\$ 330,189,114</u>	<u>\$ 315,202,668</u>

*The City was unable to reflect the impact of the prior period adjustments to the 2018 capital asset balances. See Note 4-E for additional information on current year impact.

At December 31, 2019, the depreciable capital assets for governmental activities were 50% depreciated. This is comparable to the December 31, 2018 percentage of 49%. This comparison indicates that the City is replacing its assets at a comparable rate as they are depreciating which is a positive indicator.

With the City's business type activities, 27% of the depreciable capital assets were depreciated at December 31, 2019 compared to 44% at December 31, 2018. The significant change is a result of the City's water treatment plant being transferred out of construction in progress during 2019.

Overall, the City's capital assets are depreciated at approximately 42%, which demonstrates the City's continuing investment in capital.

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$16,675,000 in sales and use tax revenue bonds. This debt is being retired with sales and use taxes from an authorized 1999 tax (reauthorized in 2015) increase of one-half percent dedicated to the financing and construction of the recreation center and the completion of the Animas River Trail and sales and use taxes from an authorized 2005 tax increase of one quarter percent dedicated to capital improvements. \$860,000 was retired during the year in bonds series 2009. This was the final payment on these bonds. The City also retired \$1,015,000 in 2019 related to the 2016 Sales and Use Tax Refunding Note and \$120,000 related to the 2017 Sales and Use Tax Refunding Note. In 2013, the City obtained a long-term loan from Colorado Water Resources and Power Development Authority in the amount of \$4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. The City retired principal in the amount of \$186,774 in 2019. The City issued Certificates of Participation in the amount of \$2,700,000 in 2014 to fund construction costs of Wilson Gulch Road, a main road in the Three Springs area that will provide economic activity. The City retired principal in the amount of \$110,000 in 2019. The City received two loans from the Colorado Water Resources and Power Development Authority in 2016 in the amount of \$62,200,000 to fund construction of the Wastewater Treatment Plant Facility. \$2,430,290 was retired on the Sewer loans in 2019. See Note 3-H for additional information on the City's long-term debt.

	Outstanding Borrowings					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Sales & use tax revenue bonds 2009	\$ -	\$ 860,000	\$ -	\$ -	\$ -	\$ 860,000
Certificates of participation 2014	2,185,000	2,295,000	-	-	2,185,000	2,295,000
Sales & use revenue refunding note 2016	6,585,000	7,600,000	-	-	6,585,000	7,600,000
Sales & use revenue refunding note 2017	10,090,000	10,210,000	-	-	10,090,000	10,210,000
Compensated absences	1,674,575	1,528,614	306,994	253,998	1,981,569	1,782,612
CWRPDA Water Loan 2013	-	-	2,910,599	3,097,373	2,910,599	3,097,373
CWRPDA Sewer Loan 2016	-	-	51,620,442	53,925,732	51,620,442	53,925,732
CWRPDA 0% Sewer Loan 2016	-	-	2,187,500	2,312,500	2,187,500	2,312,500
Loan premium amortization	-	-	1,118,612	1,177,486	1,118,612	1,177,486
Total	<u>\$ 20,534,575</u>	<u>\$ 22,493,614</u>	<u>\$ 58,144,147</u>	<u>\$ 60,767,089</u>	<u>\$ 78,678,722</u>	<u>\$ 83,260,703</u>

Economic Conditions and Next Year's Budget

Financially, 2019 showed increases over previous years. Lodgers' tax, which is one of the economic indicators for tourism increased 6.2% from the prior year, compared to a 4.3% decrease from 2017 to 2018.

The City, being a major shopping destination in the county, has reaped the benefits of population growth in the form of increased sales tax collections over the past ten years since the downturn in 2009. 2018 sales tax revenues were up 1.9% from 2017 while 2019 revenues were up 3.9% over 2018. Sales tax continues to improve, and a moderate forecast is in the future. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory ski area, the presence of Fort Lewis College, and the "small town" appeal of Durango have all contributed to the sustained growth. Increases in sales tax revenues have been attributed in large part to growth in the City's south corridor in the last several years. Durango is a regional shopping destination and the sales tax trends have supported this position. The large national chains, such as Wal-Mart, Office Depot, and Home Depot, continue to locate here. Fort Lewis College continues to be an important player, adding the area's economic stability, health, and cultural enhancement.

In addition, Downtown Durango continues to be a regional draw and gathering place for community events including Snowdown, Taste of Durango, Four Corners Bike Rally, Fiesta Days, Animas River Days, Noel Night, 4th of July events and fireworks, among many others. These events also result in additional business for the downtown retailers and restaurants. Recent honors for the City include: Best Fall Hiking Trails by *Insider.com* (2018), 50 of the Best US Ski Resorts by *Business Insider* (2018), Best Mountain Bike Destinations in Colorado by *The Travel Channel* (2018), 10 Best Family-Friendly Road Trip in the US by *Wise Bread* (2018), 14 Coolest Town's for your Summer Vacation by *Forbes* (2018), Top US Wonders to Visit this Spring by *USA Today* (2018), and The World's Best Bars for Bookworms by *Tasting Table* (2018).

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Director at the City, 949 E. Second Avenue, Durango, CO 81301.



BASIC FINANCIAL STATEMENTS

City of Durango, Colorado
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and investments (Note 3-A)	\$ 25,965,441	\$ 26,796,035	\$ 52,761,476	\$ 241,747
Receivables				
Accounts	633,557	2,398,726	3,032,283	2,982
Intergovernmental	3,124,984	225,746	3,350,730	-
Sales taxes	2,917,639	-	2,917,639	-
Property taxes	74,522	-	74,522	269,960
Franchise taxes	63,499	-	63,499	-
Lodgers taxes	5,550	-	5,550	-
Special assessments	2,513,029	-	2,513,029	-
Interest	121,043	-	121,043	-
Notes	-	4,193,223	4,193,223	-
Inventory	354,784	135,519	490,303	-
Prepaid items	-	-	-	500
Investment in joint venture	24,334,112	-	24,334,112	-
Capital Assets (Note 3-D):				
Nondepreciable capital assets	36,847,425	15,160,658	52,008,083	-
Depreciable capital assets, net	155,779,814	122,401,217	278,181,031	3,689
Total Assets	252,735,399	171,311,124	424,046,523	518,878
Deferred Outflows of Resources				
Loss on refunding	328,849	-	328,849	-
Related to pension	399,735	-	399,735	-
Total Deferred Outflows of Resources	728,584	-	728,584	-
Liabilities				
Accounts payable	2,734,225	1,981,349	4,715,574	2,516
Accrued expenses	837,417	196,153	1,033,570	-
Accrued interest payable	97,296	383,391	480,687	-
Deposits payable	735,666	-	735,666	-
Unearned revenue	233,728	-	233,728	-
Long-Term Liabilities: (Note 3-H)				
Net pension liability	2,743,570	-	2,743,570	-
Due within one year	3,012,288	2,880,409	5,892,697	-
Due in more than one year	17,522,287	55,263,738	72,786,025	-
Total Liabilities	27,916,477	60,705,040	88,621,517	2,516
Deferred Inflows of Resources				
Property taxes	2,917,639	-	2,917,639	269,960
Total Deferred Inflows of Resources	2,917,639	-	2,917,639	269,960
Net Position				
Net investment in capital assets (Note 3-J)	173,568,700	83,552,646	257,121,346	-
Restricted for:				
Capital projects	2,262,140	-	2,262,140	-
Debt Service	321,428	-	321,428	-
Emergencies	1,630,839	-	1,630,839	-
Unrestricted	44,846,760	27,053,438	71,900,198	246,402
Total Net Position	\$ 222,629,867	\$ 110,606,084	\$ 333,235,951	\$ 246,402

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Statement of Activities
For the Year Ended December 31, 2019

		Program Revenue			Net (Expense) Revenue and Changes in Net Position			
Functions/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit
					Governmental Activities	Business-type Activities		
Primary government								
Governmental Activities:								
General government	\$ 10,838,196	\$ 4,646,606	\$ 572,800	\$ -	\$ (5,618,790)	\$ -	\$ (5,618,790)	\$ -
Public safety	14,679,218	1,183,597	589,230	-	(12,906,391)	-	(12,906,391)	-
Public works	9,390,279	600	-	974,103	(8,415,576)	-	(8,415,576)	-
Parks and recreation	10,158,829	3,723,470	-	960,840	(5,474,519)	-	(5,474,519)	-
Library	2,785,741	23,349	-	-	(2,762,392)	-	(2,762,392)	-
Community services	1,302,020	-	-	-	(1,302,020)	-	(1,302,020)	-
Economic development	862,114	-	-	-	(862,114)	-	(862,114)	-
Interest on long-term debt	570,216	-	-	-	(570,216)	-	(570,216)	-
Joint venture airport	-	2,779,828	-	-	2,779,828	-	2,779,828	-
Total Governmental Activities	50,586,613	12,357,450	1,162,030	1,934,943	(35,132,190)	-	(35,132,190)	-
Business-type Activities:								
Water utility	5,335,098	6,766,656	26,447	1,767,072	-	3,225,077	3,225,077	-
Sewer utility	5,402,629	7,876,675	409,281	200,281	-	3,083,608	3,083,608	-
Sustainable services	2,856,608	2,916,117	19,294	-	-	78,803	78,803	-
Transportation services	3,606,291	2,275,070	811,056	-	-	(520,165)	(520,165)	-
Total Business-Type Activities	17,200,626	19,834,518	1,266,078	1,967,353	-	5,867,323	5,867,323	-
Total primary government	67,787,239	32,191,968	2,428,108	3,902,296	(35,132,190)	5,867,323	(29,264,867)	-
Component Unit								
Durango Conference Center								
Business Improvement District	\$ 294,858	\$ 25,065	\$ -	\$ -	-	-	-	(269,793)
General Revenues								
Property taxes levied for:								
General government purposes					2,712,128	-	2,712,128	274,422
Specific ownership tax					299,727	-	299,727	-
Sales tax					24,739,403	-	24,739,403	-
Use tax					1,488,385	-	1,488,385	-
Sales and use tax audit					2,205,633	-	2,205,633	-
La Plata County shared sales tax					4,432,322	-	4,432,322	-
La Plata County joint sales tax					2,232,115	-	2,232,115	-
Other taxes					1,307,271	-	1,307,271	-
Franchise fees and occupational taxes					1,692,419	-	1,692,419	-
Lodgers taxes					1,098,958	-	1,098,958	-
Gain on disposal of capital assets					1,176	-	1,176	-
Investment earnings					588,877	520,909	1,109,786	-
Miscellaneous					2,135,938	274,962	2,410,900	-
Transfers					(350,000)	350,000	-	-
Total General Revenues and Transfers					44,584,352	1,145,871	45,730,223	274,422
Change in Net Position					9,452,162	7,013,194	16,465,356	4,629
Net Position, Beginning of Year (As Restated)					213,177,705	103,592,890	316,770,595	241,773
Net Position, End of Year					\$ 222,629,867	\$ 110,606,084	\$ 333,235,951	\$ 246,402

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Capital Projects Fund	Capital Improvements Fund	Parks, Open Space and Trails Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash on hand	\$ 5,279	\$ -	\$ -	\$ -	\$ -	\$ 5,279
Equity in treasurer's cash and investments	7,951,562	7,046,300	-	2,210,009	2,721,377	19,929,248
Cash held in escrow	634,738	-	-	-	-	634,738
Receivables						
Accounts	311,981	-	-	-	9,711	321,692
Property taxes	2,917,639	-	-	-	-	2,917,639
Sales and use taxes	1,786,475	-	221,728	223,231	893,550	3,124,984
Franchise taxes	74,522	-	-	-	-	74,522
Lodger's taxes	-	-	-	-	63,499	63,499
Special assessments	5,550	-	-	-	-	5,550
Intergovernmental	1,774,334	738,695	-	-	-	2,513,029
Interest	121,043	-	-	-	-	121,043
Interfund	1,098,264	-	-	-	-	1,098,264
Inventory	57,311	-	-	-	-	57,311
Total Assets	16,738,698	7,784,995	221,728	2,433,240	3,688,137	30,866,798
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	1,166,635	900,438	-	171,828	-	2,238,901
Accrued expenditures	807,946	-	-	-	-	807,946
Interfund payable	-	-	221,000	-	877,264	1,098,264
Deposits	735,666	-	-	-	-	735,666
Unearned Revenue	233,728	-	-	-	-	233,728
Total Liabilities	2,943,975	900,438	221,000	171,828	877,264	5,114,505
Deferred Inflows of Resources						
Property taxes	2,917,639	-	-	-	-	2,917,639
Total Deferred Inflows of Resources	2,917,639	-	-	-	-	2,917,639
Fund Balances						
Nonspendable	57,311	-	-	-	-	57,311
Restricted	1,747,322	-	728	2,261,412	637,660	4,647,122
Committed	124,837	6,884,557	-	-	2,593,991	9,603,385
Assigned	634,738	-	-	-	9,711	644,449
Unassigned	8,312,876	-	-	-	(430,489)	7,882,387
Total Fund Balances	10,877,084	6,884,557	728	2,261,412	2,810,873	22,834,654
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,738,698	\$ 7,784,995	\$ 221,728	\$ 2,433,240	\$ 3,688,137	\$ 30,866,798

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

Total Governmental Fund Balances		\$ 22,834,654
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. However, in the statement of net position, the cost of these assets are capitalized and expenses over their estimated lives through annual depreciation expense		
Cost of capital assets including investment in joint venture	358,951,298	
Less accumulated depreciation	<u>(148,410,418)</u>	210,540,880
Net pension liabilities are not recognized at the fund level but are reported at the government-wide level		
		(2,743,570)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Deferred loss on refunding	328,849	
Related to pension	<u>399,735</u>	728,584
Liabilities, including bonds, accrued interest and compensated absences are not due and payable in the current period and therefore, are not reported in the funds		
Long-term debt outstanding	(18,860,000)	
Accrued interest on long-term debt	(97,296)	
Compensated absences	<u>(1,585,097)</u>	(20,542,393)
Internal service fund is used by management to charge the costs of general administrative services, equipment replacement and self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		
		<u>11,811,712</u>
Net Position of Governmental Activities		<u><u>\$ 222,629,867</u></u>

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

	General Fund	Capital Projects Fund	Capital Improvements Fund	Parks, Open Space and Trails Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 2,712,128	\$ -	\$ -	\$ -	\$ -	\$ 2,712,128
Specific ownership taxes	299,727	-	-	-	-	299,727
Sales taxes	16,381,884	-	-	2,046,925	6,310,594	24,739,403
Use taxes	1,009,212	-	-	126,099	353,074	1,488,385
Sales and use tax audit	32,610	-	2,173,023	-	-	2,205,633
La Plata County shared sales tax	4,432,322	-	-	-	-	4,432,322
La Plata County joint sales tax	2,232,115	-	-	-	-	2,232,115
Lodgers taxes	-	-	-	-	1,098,958	1,098,958
Cigarette tax	77,682	-	-	-	-	77,682
Franchise fees and occupational taxes	1,692,419	-	-	-	-	1,692,419
Intergovernmental	3,422,970	748,695	-	-	212,145	4,383,810
Licenses and permits	729,708	-	-	-	10,400	740,108
Charges for services	6,539,922	-	-	-	-	6,539,922
Fines and forfeitures	138,544	-	-	-	-	138,544
Investment earnings	339,087	171,051	24,490	49,786	4,463	588,877
Miscellaneous	1,755,122	69,088	-	-	311,728	2,135,938
Total Revenues	41,795,452	988,834	2,197,513	2,222,810	8,301,362	55,505,971
Expenditures						
Current:						
General government	8,394,641	93,607	-	-	31,604	8,519,852
Public safety	14,558,963	-	-	-	-	14,558,963
Public works	3,444,109	190,195	-	-	-	3,634,304
Parks and recreation	7,343,800	630,881	-	171,975	-	8,146,656
Library	2,383,009	-	-	-	-	2,383,009
Community services	1,302,020	-	-	-	-	1,302,020
Economic development	-	-	-	-	862,114	862,114
Non-departmental	1,833,941	-	-	-	-	1,833,941
Capital Outlay	-	5,627,859	-	1,580,165	-	7,208,024
Debt Service:						
Principal	110,000	-	-	-	1,995,000	2,105,000
Interest and other charges	80,325	-	-	-	431,417	511,742
Total Expenditures	39,450,808	6,542,542	-	1,752,140	3,320,135	51,065,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,344,644	(5,553,708)	2,197,513	470,670	4,981,227	4,440,346
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	1,176	-	-	-	-	1,176
Transfers in	720,908	4,649,400	225,000	-	2,427,004	8,022,312
Transfers out	-	-	(2,427,004)	(406,740)	(5,538,568)	(8,372,312)
Total Other Financing Sources (Uses)	722,084	4,649,400	(2,202,004)	(406,740)	(3,111,564)	(348,824)
Net Change in Fund Balances	3,066,728	(904,308)	(4,491)	63,930	1,869,663	4,091,522
Fund Balances, Beginning of Year (As Restated)	7,822,925	7,788,865	5,219	2,197,482	941,210	18,755,701
Increase in Reserve for Inventory	(12,569)	-	-	-	-	(12,569)
Fund Balances, End of Year	\$ 10,877,084	\$ 6,884,557	\$ 728	\$ 2,261,412	\$ 2,810,873	\$ 22,834,654

See accompanying notes to the basic financial statements.

City of Durango, Colorado
***Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2019***

Net Changes in Fund Balances - Governmental Funds	\$ 4,091,522
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense.	
Depreciation expense	(8,656,246)
Capital outlay	7,208,024
	<u>(1,448,222)</u>
Governmental funds do not report contributed capital assets but they are reported on the statement of activities as revenue	974,103
Governmental funds do not report the change in the investment in the joint venture but the change is reported on the statement of activity	2,779,828
The internal service funds used by management to charge the costs of the general services, equipment reserve, risk manager and self-insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.	1,127,697
The decrease in fund balance reserves for inventory charged directly to the fund balances at the fund level but expenses are increased at the government-wide level.	(12,569)
Net pension expense does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:	
Pension Income	36,756
Interest expense 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.	(21,935)
Repayment of general obligation debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,105,000
Deferred loss on refunding:	(36,539)
Compensated absences 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.	(143,479)
Change in Net Position of Governmental Activities	<u>\$ 9,452,162</u>

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-Type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Sustainable Services Fund	Transportation Services Fund	Total	Internal Service Funds
Assets						
Current Assets:						
Equity in treasurer's cash and investments	\$ 17,160,701	\$ 374,472	\$ 1,109,261	\$ 2,523,414	\$ 21,167,848	\$ 5,396,176
Cash held with fiscal agent	-	5,628,187	-	-	5,628,187	-
Receivables						
Accounts	810,975	1,106,299	374,424	107,028	2,398,726	311,865
Intergovernmental	5,059	-	-	220,687	225,746	-
Inventory	131,903	3,616	-	-	135,519	297,473
Total Current Assets	18,108,638	7,112,574	1,483,685	2,851,129	29,556,026	6,005,514
Non-Current Assets:						
Note receivable	122,697	4,070,526	-	-	4,193,223	-
Capital Assets:						
Land and water rights	7,048,853	321,309	89,622	3,886,835	11,346,619	67,889
Construction in progress	2,464,035	1,350,004	-	-	3,814,039	603,775
Depreciable capital assets, net	34,933,944	79,702,463	2,147,113	5,617,697	122,401,217	5,748,807
Total Non-Current Assets	44,569,529	85,444,302	2,236,735	9,504,532	141,755,098	6,420,471
Total Assets	62,678,167	92,556,876	3,720,420	12,355,661	171,311,124	12,425,985
Liabilities						
Current Liabilities:						
Accounts payable	479,715	1,327,996	87,125	86,513	1,981,349	495,324
Accrued wages	47,743	58,802	28,603	61,005	196,153	29,471
Compensated absences - due in one year	54,431	29,217	27,731	42,118	153,497	44,739
Loan payable	190,433	2,536,479	-	-	2,726,912	-
Interest payable	-	383,391	-	-	383,391	-
Total Current Liabilities	772,322	4,335,885	143,459	189,636	5,441,302	569,534
Long-Term Liabilities						
Compensated absences, net of current portion	54,431	29,217	27,731	42,118	153,497	44,739
Loan payable, net of current portion	2,720,166	52,390,075	-	-	55,110,241	-
Total Long-Term Liabilities	2,774,597	52,419,292	27,731	42,118	55,263,738	44,739
Total Liabilities	3,546,919	56,755,177	171,190	231,754	60,705,040	614,273
Net Position						
Net investment in capital assets	41,473,859	30,337,520	2,236,735	9,504,532	83,552,646	6,420,471
Unrestricted	17,657,389	5,464,179	1,312,495	2,619,375	27,053,438	5,391,241
Total Net Position	\$ 59,131,248	\$ 35,801,699	\$ 3,549,230	\$ 12,123,907	\$ 110,606,084	\$ 11,811,712

See accompanying notes to the basic financial statements.

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

	Business-Type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Sustainable Services Fund	Transportation Services Fund	Total	Internal Service Funds
Operating Revenues						
Charges for sales and services	\$ 6,766,656	\$ 7,876,675	\$ 2,916,117	\$ 2,275,070	\$ 19,834,518	\$ 9,395,906
Services provided	-	-	-	-	-	1,263,937
Miscellaneous	146,479	-	115,135	13,348	274,962	67,253
Total Operating Revenues	<u>6,913,135</u>	<u>7,876,675</u>	<u>3,031,252</u>	<u>2,288,418</u>	<u>20,109,480</u>	<u>10,727,096</u>
Operating Expenses						
Administration	307,373	414,593	-	127,879	849,845	291,215
Source of supply	85,230	-	-	-	85,230	-
Pumping	131,736	-	-	-	131,736	-
Transmission and distribution	975,046	-	-	-	975,046	-
Treatment	982,187	1,354,707	-	-	2,336,894	-
Meter reading and repairs	96,640	-	-	-	96,640	-
Parking operations	-	-	-	646,280	646,280	-
Collections	-	937,437	972,634	-	1,910,071	-
Recycling	-	-	661,257	-	661,257	-
Recycling center	-	-	358,375	-	358,375	-
Sustainability	-	-	136,680	-	136,680	-
Loop system	-	-	-	1,659,661	1,659,661	-
Multi-model	-	-	-	48,608	48,608	-
Building maintenance	-	-	-	-	-	85,377
Equipment maintenance	-	-	-	-	-	1,448,833
Insurance Claims and premiums	-	-	-	-	-	1,019,707
Medical claims and premiums	-	-	-	-	-	5,561,072
Non-departmental	682,901	189,860	273,783	276,308	1,422,852	-
Payment for services	711,663	799,168	305,813	463,029	2,279,673	-
Depreciation	1,302,829	818,329	148,066	384,526	2,653,750	1,389,789
Total Operating Expenses	<u>5,275,605</u>	<u>4,514,094</u>	<u>2,856,608</u>	<u>3,606,291</u>	<u>16,252,598</u>	<u>9,795,993</u>
Operating Income (Loss)	1,637,530	3,362,581	174,644	(1,317,873)	3,856,882	931,103
Non-Operating Revenues (Expenses)						
Gain (Loss) on sale of capital assets	-	-	-	-	-	43,783
Interest expense	(59,493)	(888,535)	-	-	(948,028)	-
Intergovernmental grants	26,447	409,281	19,294	811,056	1,266,078	-
Investment earnings	368,850	83,651	18,658	49,750	520,909	127,278
Total Non-Operating Revenues (Expenses)	<u>335,804</u>	<u>(395,603)</u>	<u>37,952</u>	<u>860,806</u>	<u>838,959</u>	<u>171,061</u>
Income (Loss) Before Capital Contributions and Transfers	1,973,334	2,966,978	212,596	(457,067)	4,695,841	1,102,164
Capital contributions	1,767,072	200,281	-	-	1,967,353	25,533
Transfers in	-	-	-	350,000	350,000	-
Change in Net Position	3,740,406	3,167,259	212,596	(107,067)	7,013,194	1,127,697
Net Position, Beginning of Year (as Retated)	55,390,842	32,634,440	3,336,634	12,230,974	103,592,890	10,684,015
Net Position, End of Year	<u>\$ 59,131,248</u>	<u>\$ 35,801,699</u>	<u>\$ 3,549,230</u>	<u>\$ 12,123,907</u>	<u>\$ 110,606,084</u>	<u>\$ 11,811,712</u>

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Sustainable Services Fund	Transportation Services Fund	Total	Internal Service Funds
Cash Flows from Operating Activities						
Cash received from customers	\$ 6,764,530	\$ 7,810,775	\$ 2,982,704	\$ 2,187,963	\$ 19,745,972	\$ 10,545,682
Cash payments to employees for services	(1,482,350)	(1,656,659)	(841,097)	(1,561,137)	(5,541,243)	(262,478)
Cash payments for goods and services	(2,862,949)	(7,493,482)	(1,800,689)	(1,672,711)	(13,829,831)	(1,513,651)
Cash payments for claims and premiums	-	-	-	-	-	(6,567,496)
Net Cash Provided (Used) by Operating Activities	2,419,231	(1,339,366)	340,918	(1,045,885)	374,898	2,202,057
Cash Flows from Noncapital Financing Activities						
Decrease in note receivable	14,842	9,859,260	-	-	9,874,102	-
Intergovernmental revenue	26,203	5,157,849	19,294	911,441	6,114,787	-
Interfund payable	-	-	-	-	-	(306,000)
Transfers in	-	-	-	350,000	350,000	-
Net Cash Provided (Used) by Noncapital Financing Activities	41,045	15,017,109	19,294	1,261,441	16,338,889	(306,000)
Cash Flows from Capital and Related Financing Activities						
Plant investment fees	636,875	102,032	-	-	738,907	-
Interest payments	(59,493)	(908,014)	-	-	(967,507)	-
Decrease in loan payable	(186,774)	(2,489,166)	-	-	(2,675,940)	-
Cash sales of capital assets	-	-	-	-	-	93,432
Payments for capital acquisitions	(3,626,129)	(14,378,572)	(41,800)	-	(18,046,501)	(1,414,267)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,235,521)	(17,673,720)	(41,800)	-	(20,951,041)	(1,320,835)
Cash Flows from Investing Activities						
Investment earnings	368,850	83,651	18,658	49,750	520,909	127,278
Net Cash Provided by Non-Operating Activities	368,850	83,651	18,658	49,750	520,909	127,278
Net Increase (Decrease) in Cash and Cash Equivalents	(406,395)	(3,912,326)	337,070	265,306	(3,716,345)	702,500
Cash and Cash Equivalents, Beginning of Year	17,567,096	9,914,985	772,191	2,258,108	30,512,380	4,693,676
Cash and Cash Equivalents, End of Year	\$ 17,160,701	\$ 6,002,659	\$ 1,109,261	\$ 2,523,414	\$ 26,796,035	\$ 5,396,176
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	1,637,530	3,362,581	174,644	(1,317,873)	3,856,882	931,103
Adjustments:						
Depreciation	1,302,829	818,329	148,066	384,526	2,653,750	1,389,789
(Increase) Decrease in Assets:						
Accounts Receivable	(148,605)	(65,900)	(48,548)	(100,455)	(363,508)	(181,414)
Prepaid	-	-	4,000	-	4,000	18,480
Inventory	(7,394)	(1,731)	-	-	(9,125)	7,307
Increase (Decrease) in Liabilities:						
Accounts payable	(408,193)	(5,456,578)	44,822	(41,409)	(5,861,358)	27,849
Accrued wages and compensated absences	43,064	3,933	17,934	29,326	94,257	8,943
Net Cash Provided by (Used in) Operating Activities	\$ 2,419,231	\$ (1,339,366)	\$ 340,918	\$ (1,045,885)	\$ 374,898	\$ 2,202,057
Non-cash Investing, Capital and Financing Activities:						
Contributed Capital Assets	\$ 1,130,197	\$ 98,249	\$ -	\$ -	\$ 1,228,446	\$ 25,533

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies

The City of Durango is a municipal corporation governed by an elected five-member council. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government and component unit that is included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

A description of the discretely presented component unit follows:

Durango Conference Center Business Improvement District (the District) – the District was formed for the purpose of developing a conference center in the City. The District encompasses commercial properties in a defined area. The members of the District's governing board are appointed by the City Council. The District is fiscally dependent on the City because the City Council must approve the operating plan and budget on an annual basis pursuant to the state statutes authorizing the formation of the District. The District is reported on the government-wide statements as a governmental fund. The District reports only a general fund, with property taxes being the primary source of revenue. Separate financial statements are not issued by the District.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and the component unit is presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and City's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of net position presents the financial position of the governmental and business-type activities of the City and its discretely presented component unit at year-end. Neither fiduciary funds nor component unit's fiduciary in nature are included.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds- Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities and deferred inflows of resources as fund balance. The following are the City's major governmental funds:

-

General Fund- The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Colorado.

Capital Projects Fund- This fund accounts for the financial resources used for the acquisition and/or construction of major capital improvements included in the City capital improvement program.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Improvements Fund -To account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electorate in April 2005. These revenues may only be used to finance capital improvements. The tax sunsets in 2026.

Parks, Open Space, Trails Fund -To account for fifty percent of the one-half cent sales and use tax revenues voted on and adopted by the electorate in April 2005. These revenues may only be used to finance improvements or acquiring parks, open space, and trails. The tax sunsets in 2026.

Proprietary Funds- Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The following are the City's major enterprise funds:

Water Utility Fund -This fund accounts for revenues and expenses associated with providing water services to the City's residents and some county residents.

Sewer Utility Fund -This fund accounts for revenues and expenses associated with providing waste water treatment services to residents of the City and some county residents.

Sustainable Services Fund -This fund accounts for revenues and expenses associated with refuse collection and recycling operations.

Transportation Services Fund -This fund accounts for revenues and expenses associated with the operations of the City's parking program, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

Additionally the City reports the following fund types:

The *internal service funds* provide support services to other City departments including vehicle and equipment maintenance, warehousing, building and plant supervision, equipment replacement, risk management and self-insurance. The four internal service funds are the General Services Fund, the Capital Equipment Reserve Fund, the Risk Manager Fund, and the Self Insurance Fund.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City and the component unit are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statements of net position.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available before it can be recognized. The City defines availability for intergovernmental revenues as 120 days and all others as 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest, and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On the governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred outflows of resources.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Balance/Net Position

1-E-1 Cash, Cash Equivalents, and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on statements of net position or balance sheets as "equity in treasurer's cash and investments" and "cash held in escrow."

The Durango Conference Center Business Improvement District, a discretely presented component unit, maintains separate cash accounts that are available for use by the District.

Equity in Treasurer's Cash and Investments - The City maintains a centralized bank account to maximize investment yields. Cash balances are pooled and invested. Investment income earned is allocated to the funds based on each fund's percentage ownership. Cash with fiscal agent is held separately and not pooled with other cash.

For the purposes of cash flow statements, cash and cash equivalents include "equity in treasurer's cash and investments" and "cash held in escrow," as held by enterprise funds. Each fund has an interest in the pool that is available upon demand. Interest in the pool has been recorded consistent with any other demand deposits or investments with a maturity of three months or less.

Investments are reported at fair value based on valuation techniques discussed in Note 3-A with disclosures on the level of the fair value hierarchy based on inputs from the valuation technique. Investments in governmental external investment pools are reported at amortized cost or net asset value and are not subject to the fair value hierarchy.

The City Charter authorizes the City to invest in any manner that is then permitted by the statutes of Colorado.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at December 31, 2019.

The City was awarded a Community Development Block Grant in 1983. The grant proceeds were distributed as loans to qualifying businesses and residents. The loan receivable is recorded in the Revolving Loan Fund, a special revenue fund, net of the allowance for estimated loan losses. The allowance is management's best estimate based on past collection experience.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as "internal balances."

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are also expensed when consumed.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reflected as non-spendable as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the City fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities columns of the government-wide statement of net position and in the enterprise funds' statements of net position.

All capital assets are capitalized at acquisition value and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	20-75 years
Equipment	3-20 years
Utility System Infrastructure and Improvements	30-100 years
Public Domain Infrastructure	10-50 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-7 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify as a deferred outflow of resources. A deferred outflow of resources related to the implementation of GASB Statement No. 68 has been recorded as of December 31, 2019, which consists of two components: 1) contributions subsequent to measurement date; and 2) a change in investment earnings. See Note 3-I for additional information. In addition, the City has a deferred outflow of resources recorded related to a deferred loss on refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item which is considered a deferred inflow of resources. Property tax revenue which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected are recognized in the financial statements.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-8 Compensated Absences

Governmental Funds – As of January 1, 2006 the City implemented a “Paid time off” (PTO) policy. Benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “*when due*.”

Proprietary Funds -- Accumulated paid time off at December 31, 2019, for employees of the proprietary funds have been accrued. These compensated absences are recognized as current salary costs when earned in the proprietary funds.

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and capital leases are recognized as a liability in the governmental activities on the government wide financial statements.

1-E-10 Bond Premiums, Discounts, and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure/expense.

1-E-11 Fund Balance/Net Position

Fund Balance – Generally, fund balance represents assets and deferred outflows of resources minus liabilities and deferred inflows of resources and is shown only in governmental fund statements. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on those amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances may be categorized as non-spendable, restricted, committed, assigned, and unassigned.

Non-spendable Fund Balance– cannot be spent because it is either in non-spendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid items.

Restricted Fund Balance– is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulation of other governments, or imposed by law through constitutional provisions or enabling legislation.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Committed Fund Balance— is constrained for a specific purpose by resolution or ordinance adopted by the City Council and can be rescinded only through the same type of formal action used to establish the original commitment. Resolutions and ordinances are equally binding.

Assigned Fund Balance— is constrained for specified purposes by the City Manager or his designee as authorized by the City Council.

Unassigned Fund Balance— is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund is the only fund that reports a positive unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, restricted amounts are deemed to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then by unassigned amounts.

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. These revenues are charges for services to external customers for water, sewer, sustainable services, transit, and parking.

Revenues to internal customers for services are for vehicle and equipment maintenance, centralized purchasing, warehousing, building and plant supervision, equipment replacement and self-insurance. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets and plant investment fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. The interfund services provided and used are not eliminated in the process of consolidation. Transfers between funds reported in the business-type activities column are eliminated.

1-E-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The governmental fund budgets are adopted on a basis consistent with GAAP. Adopted budgets for enterprise and internal service funds are presented on a non-GAAP basis. The nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis is as follows:

Formal budgetary integration is employed as a management control device during the year for the general fund, all special revenue funds, (with the exception of the revolving loan fund), the capital projects fund and all proprietary fund types (with the exception of the self-insurance fund). Budgetary control for funds not formally budgeted is alternatively achieved through financial management plans or as the result of established ordinances.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval.

The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another. The City Council made several additional appropriations during the year.

For the year ended December 31, 2019, the Capital Improvements Fund, Parks, Open Space and Trails Fund and the Sewer Utility Fund had actual expenditures which exceeded final budgeted expenditures. This may be a violation of Colorado Budget Law.

2-B. Recreation Complex/Trails Fund Balance- The Recreation Complex/Trails Fund ending fund balance at December 31, 2019 was a negative \$430,489 at December 31, 2019. This shortfall will be corrected in the ensuing year.

The Durango Conference Center Business Improvement District, a discretely presented component unit, approves a budget each fiscal year, however, it is not presented as budget is not required.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it, not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least one hundred and two percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission.

Investments – Colorado revised statutes and the City’s investment policy specifies investment instruments meeting defined rating and risk criteria in which the City may invest:

- United States Treasury Obligations
- United States Government Agency and Instrumentality Obligations
- Certificates of Deposits
- Commercial Paper
- Investment-grade Obligations of State
- Repurchase Agreements
- Money Market Mutual Funds
- Local Government Investment Pools

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the City’s investment policy states that the City will minimize the interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City investment policy states that the weighted average maturity of the portfolio shall be no greater than 3 years, and all investments shall have a final maturity not exceeding five years from the date of purchase.

Credit Risk -The City’s investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The City’s investment policy limits investments in fixed income securities to U.S. Treasury Bills; U.S. Government Agencies; Certificates of Deposit; Commercial Paper; Investment-grade Obligations of State; Repurchase Agreements; Money Market Mutual Funds; and Local Government Investment Pools. The investment policy limits investments in commercial paper to be rated A-1 by Standard & Poor’s, P-1 by Moody’s, or F-1 by Fitch at the time of purchase. ColoTrust records investments at fair value and the City records at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of December 31, 2019, the City had \$3,057,188 invested in the Colorado Local Governments Liquid Asset Trust (ColoTrust). ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements creating and operating ColoTrust. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. ColoTrust is rated AAAm by Standards and Poor’s.

Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by participating governments.

As of December 31, 2019, the City had \$253,185 invested in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is an investment vehicle established for local government entities in Colorado to pool surplus funds.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3- Detailed Notes on All Funds (Continued)

Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSAFE is rated AA+ by Standards and Poor's. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments.

As of December 31, 2019 the City was invested in Federal Home Loan Bank, Fannie Mae, Freddie Mac, and Federal Farm Credit Bank. As of December 31, 2019 the City had the following investments and maturities:

Investment Type	Investment Maturities (in Years)				Percentage
	S&P Rating	Less Than 1 Year	1 - 5 Years	Fair Value	
FEDERAL FARM CR BKS	AA+	\$ 999,824	\$ 4,449,109	\$ 5,448,933	22%
FEDERAL HOME LN MTG CORP	AA+	1,998,215	4,528,110	6,526,325	27%
FEDERAL HOME LOAN BANKS	AA+	3,997,712	1,001,189	4,998,901	21%
FEDERAL NATL MTG ASSN	AA+	1,998,224	-	1,998,224	8%
US Treasury	AA+	-	2,027,578	2,027,578	8%
ColoTrust	AAAm	3,057,188	-	3,057,188	13%
CSAFE	AAAm	253,185	-	253,185	1%
Total		<u>\$ 12,304,348</u>	<u>\$ 12,005,986</u>	<u>\$ 24,310,334</u>	

Investments \$ 24,310,334

Reconciliation to Total Deposits and Investments

Add:

Cash on Hand and in Banks	22,706,471
Component Unit	241,747

Restricted Cash and Investments

Cash held with fiscal agent	5,628,187
Investment in ICMA	66,552
Investment in Empower Retirement	<u>49,932</u>
Restricted Cash and Investments	<u>5,744,671</u>

Total Cash and Investments	<u><u>\$ 53,003,223</u></u>
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The City has cash deposits and cash on hand with a carrying value of \$22,706,471 of which \$5,279 was cash and \$22,701,192 was held by financial institutions. The accounts had a bank balance of \$23,056,889 of which \$523,772 was covered by FDIC and the balance was covered by PDPA. Also the component unit has a cash balance of \$247,747 which is covered by FDIC.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The carrying amounts of deposits and investments are reflected in the accompanying financial statements as:

Cash & Investment Reconciliation:

	Cash and Cash Investments
Fund Reporting Level:	
Governmental Funds - Cash on Hand	\$ 5,279
Governmental Funds - Equity in treasurer's cash and investments	19,929,248
Governmental Funds - Cash held in escrow	634,738
Proprietary Fund Type Statement of Net Position - Enterprise Funds	26,796,035
Proprietary Fund Type Statement of Net Position - Internal Service Funds	5,396,176
Cash and investments - Component Unit	241,747
Total	\$ 53,003,223
Government-wide Level:	
Cash and investments - primary government	\$ 52,761,476
Cash and investments - Component Unit	241,747
Total	\$ 53,003,223

Concentration of Credit Risk – It is the intent of the City to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The City's policy specifies that no more than 50 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury. No more than 10 percent of the portfolio may be invested in each of the following categories of securities:

- Commercial paper
- Negotiable certificates of deposit
- Banker's acceptance
- Obligations not fully collateralized or insured

At least 5 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice. The City's total portfolio was within these limits for the year ended December 31, 2019. Restricted cash and assets are those assets that are restricted by voter restriction or restricted legally by state statutes or city code of ordinances.

Fair Value – The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3- Detailed Notes on All Funds (Continued)

The City has the following fair value measurements as of December 31, 2019:

Investments by fair value level	12/31/2019	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Federal Home Loan Bank	\$ 4,998,901	\$ -	\$ 4,998,901	\$ -
Federal Farm Credit Banks	5,448,933	-	5,448,933	-
Federal Home Loan Mortgage Corporation	6,526,325	-	6,526,325	-
Federal National Mortgage Association	1,998,224	-	1,998,224	-
US Treasury	2,027,578	2,027,578	-	-
Total investments by fair value level	<u>\$ 20,999,961</u>	<u>\$ 2,027,578</u>	<u>\$ 18,972,383</u>	<u>\$ -</u>
Investments Measured at NAV				
COLOTRUST	<u>\$ 3,057,188</u>			
Investments measured at amortized cost				
CSAFE	<u>\$ 253,185</u>			
Total investments	<u><u>\$ 24,310,334</u></u>			

3-B. Receivables

Receivables at December 31, 2019, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

3-C. Property Taxes

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represents 2019 taxes levied and budgeted for calendar 2020 and collectible in calendar 2020. This amount also is reflected as deferred inflow of resources at the fund financial reporting level and the government-wide financial reporting level. Following are details of the property tax calendar:

Lien date	January 1 (current year)
Levy date	December 15 (prior year)
First half installment due	February 29
Second half installment due	June 15
If paid in full	May 2

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities, including internal service funds, for the year ended December 31, 2019, were as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 29,987,277	\$ -	\$ -	\$ 29,987,277
Construction in progress	6,144,682	6,142,588	5,427,122	6,860,148
Total capital assets not being depreciated	<u>36,131,959</u>	<u>6,142,588</u>	<u>5,427,122</u>	<u>36,847,425</u>
Other capital assets:				
Buildings	46,550,168	2,637,606	-	49,187,774
Improvements	1,101,610	-	-	1,101,610
Equipment	24,393,607	836,025	600,319	24,629,313
Infrastructure	233,471,629	5,432,831	-	238,904,460
Total depreciable capital assets	<u>305,517,014</u>	<u>8,906,462</u>	<u>600,319</u>	<u>313,823,157</u>
Accumulated depreciation:				
Buildings	14,308,256	905,538	-	15,213,794
Improvements	1,077,486	88,379	-	1,165,865
Equipment	14,032,162	1,854,274	550,670	15,335,766
Infrastructure	119,130,073	7,197,845	-	126,327,918
Total accumulated depreciation	<u>148,547,977</u>	<u>10,046,036</u>	<u>550,670</u>	<u>158,043,343</u>
Total depreciable capital assets, net	<u>156,969,037</u>	<u>(1,139,574)</u>	<u>49,649</u>	<u>155,779,814</u>
Governmental activities capital assets, net	<u>\$ 193,100,996</u>	<u>\$ 5,003,014</u>	<u>\$ 5,476,771</u>	<u>\$ 192,627,239</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The following are the changes in the business-type activities, excluding internal service funds, for the year ended December 31, 2019:

	Balance 1/1/2019*	Additions	Deletions	Balance 12/31/2019
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 5,020,953	\$ 472,934	\$ -	\$ 5,493,887
Water rights	5,852,732	-	-	5,852,732
Construction in progress	53,443,549	3,846,570	53,476,080	3,814,039
Total capital assets not being depreciated	<u>64,317,234</u>	<u>4,319,504</u>	<u>53,476,080</u>	<u>15,160,658</u>
Other capital assets:				
Buildings	21,854,613	65,595,010	-	87,449,623
Equipment	8,428,991	1,431,529	-	9,860,520
Infrastructure	69,177,241	2,121,094	466,144	70,832,191
Total depreciable capital assets	<u>99,460,845</u>	<u>69,147,633</u>	<u>466,144</u>	<u>168,142,334</u>
Accumulated depreciation:				
Buildings	13,116,763	549,319	-	13,666,082
Equipment	5,438,710	464,645	-	5,903,355
Infrastructure	24,998,038	1,639,786	466,144	26,171,680
Total accumulated depreciation	<u>43,553,511</u>	<u>2,653,750</u>	<u>466,144</u>	<u>45,741,117</u>
Total depreciable capital assets, net	<u>55,907,334</u>	<u>66,493,883</u>	<u>-</u>	<u>122,401,217</u>
Business-type activities capital assets, net	<u>\$ 120,224,568</u>	<u>\$ 70,813,387</u>	<u>\$ 53,476,080</u>	<u>\$ 137,561,875</u>

*Reclassifications have been made to the beginning balances as a result of the City performing a review over capital asset classifications. In addition, beginning balances have been adjusted due to a prior period adjustment. See Note 4-E for additional information.

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

Governmental activities depreciation expense is allocated as follows:

General government	\$ 1,851,330
Public safety	75,210
Public works	5,737,988
Library	394,835
Parks and recreation	<u>1,986,673</u>
Total governmental activities depreciation expense	<u>\$ 10,046,036</u>

Business-type activities depreciation expense is allocated as follows:

Water	\$ 1,302,829
Sewer	818,329
Sustainable services	148,066
Transportation services	<u>384,526</u>
Total business-type activities depreciation expense	<u>\$ 2,653,750</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

3-E. – Interfund Balances and Transfers

Interfund balances at December 31, 2019, the \$221,000 interfund receivable from the general fund to the capital improvement fund relates to a short-term cash loan that will be paid back to the general fund. The \$877,264 interfund receivable from the general fund to the recreation/complex trails fund is related to a short-term cash loan that will be paid back in early 2020.

	Interfund Receivable	Interfund Payable
Capital Improvement fund	\$ -	\$ 221,000
Recreation Complex/Trails fund	-	877,264
General fund	1,098,264	-
	<u>\$ 1,098,264</u>	<u>\$ 1,098,264</u>

Interfund transfers for the year ended December 31, 2019, consisted of the following:

Transfers From				
Transfers To	Capital Improvements Fund	Parks, Open Space, Trails Fund	Non-major Governmental Funds	Total
General fund	\$ -	\$ 406,740	\$ 314,168	\$ 720,908
Capital projects fund	-	-	4,649,400	4,649,400
Capital improvements fund	-	-	225,000	225,000
Non-major governmental funds	2,427,004	-	-	2,427,004
Transportation services fund	-	-	350,000	350,000
	<u>\$ 2,427,004</u>	<u>\$ 406,740</u>	<u>\$ 5,538,568</u>	<u>\$ 8,372,312</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. Certain capital assets were transferred between proprietary type funds.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Compensated Absences

All permanent employees of the City are permitted to accumulate a maximum carryover of accrued PTO for any employee in the amount of two times the accrual rate in effect for that employee. Maximum carryover for employees with 20 years of service or more is 62 days (496) hours. In the event an employee reaches their maximum accrued PTO, they will no longer accrue PTO until their PTO balance is brought below their maximum accrual.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Operating Leases

On June 1, 1999, the City entered into a lease agreement as lessee with LaPlata County for a 6.8-acre tract of land at the north end of the county owned fairgrounds. This is the location on which the City constructed the Durango Community Recreation Center. The lease is for an initial term of ninety-nine years commencing on June 1, 1999 and ending on May 31, 2098 and calls for annual lease payments of one dollar. The \$99 lease payment for the initial term was paid in June 1999 under the terms of the lease agreement.

On July 16, 2001, the City entered into a lease agreement as lessee with the State of Colorado Department of Natural Resources Division of Wildlife and Wildlife Commission for a 3.338-acre tract of State owned land and the lease was extended for another 10 years on December 9, 2011. The City has located a radio antenna tower and associated improvements on the property. The lease terminates on December 31, 2021 and calls for annual rental payments. The annual payments are calculated annually by the Habitat Manager to reflect changes in fair market value, annual adjustments using the Consumer Price Index – Denver (CPI-U), and changes in tenant occupancy. At termination of the lease, the City must remove the antenna tower and all improvements. The lease does not meet the criteria of a capital lease. Future minimum lease payments for this lease cannot be determined with certainty as they are calculated annually using the above referenced formula. It is expected that they will approximate \$1,000 annually.

On June 6, 2001, the City entered into a sub-lease agreement as lessor with Alamosa Properties, L.P. for the use of a portion of the land leased by the City from the Colorado Division of Wildlife described above. The premises are located at the Smelter Mountain Site, comprise approximately four hundred square feet and may be used by the sub-lessee for the provision of communications services. The lease calls for annual payments of \$20,000 for the first year with 3% annual increases for subsequent years. The initial term is for five years and may be extended for four successive five-year periods. In 2008 and in 2013, this lease was automatically renewed for another 5 years. This lease is subject to earlier termination if the City's lease with the State were to be terminated. The premises leased include space on the City's radio tower. The radio tower did not meet the City's criteria for capitalization and is not being depreciated.

On June 6, 2001, the City entered into a lease as lessor with Alamosa Properties, L.P. for use of City premises to locate a telecommunications antenna. The premises are located at the Junction Creek Water Tank and allow for the use of approximately two hundred square feet of land and space on the water tower. The initial term of the lease is five years with the option to renew for four additional periods of five years. In 2008 and in 2013, this lease was automatically renewed for another 5 years. The lease calls for an annual rent payment of \$20,000 for the first year with 3% annual increases each year thereafter. The premises leased include space on an existing water tower and land on which to put a removable building.

On November 20, 2003, the City entered into a sub-lease agreement as lessor with Cellular Inc. Network Corporation, d/b/a Verizon Wireless, for a small area of land and space on the City's radio antenna tower. The lessee built a small building and placed equipment on the tower. At termination of the lease, the lessee must remove the building and equipment. The lease calls for annual payments of \$20,600 for the first year with 3% annual increases for subsequent years. The term of the lease is for ten years beginning on October 1, 2003 and ending on September 30, 2013. The lease is subject to earlier termination if the City's lease for the site with the State of Colorado Department of Natural Resources changes or is terminated. The lease agreement does not meet the criteria of a capital lease. The radio tower on which the space is rented did not meet the City's criteria for capitalization and is not being depreciated.

On August 31, 2004, the City entered into a lease as lessor with Cellular Inc. Network Corporation, d/b/a Verizon Wireless for use of City premises to locate a telecommunications antenna. The premises are located at the Junction Creek Water Tank and allow for the use of approximately six hundred square feet of land and space on the water tower. The initial term of the lease is five years with the option to renew for four additional periods of five years. In 2014, this lease was automatically renewed for another 5 years. The lease calls for an annual rent payment of \$20,600 for the first year with 3% annual increases each year thereafter. The premises leased include space on an existing water tower and land on which to put a removable building.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

On March 7, 2005, the City entered into a lease agreement as lessor with Alamosa Properties, L.P. for use of City premises to operate and maintain a radio communications facility. The premises are located at the City Service Center and allow for the use of approximately four hundred and five square feet. The initial term of the lease is five years with the option to renew for four additional periods of five years. The lease calls for an annual rent payment of \$20,600 for the first year with 3% annual increases each year thereafter. This is a ground lease for a small portion of land and is not being depreciated.

On September 20, 1983, the City entered into a lease agreement with Southwest Colorado Community Corrections Center, Inc. for a 1.2-acre tract of City-owned land. The original lease was for a period of twenty years commencing on September 19, 1983. Conditions of the lease included that the lessee must construct a community corrections facility on the demised property. This has been accomplished and the building has been recognized in the City's general capital assets. In conjunction with the lease the City of Durango issued and sold Anticipation Warrants to aid in the financing of the facility. The lease payments were sufficient to cover principal and interest payments on the Anticipation Warrants as they became due. All outstanding warrants have been retired. All improvements constructed on the property become property of the City. On December 5, 1989, the City expanded the provisions of the original lease to provide for an additional 10 years, which brings the term of the lease through September 18, 2013. In addition, the amended lease agreement authorizes expansion of the premises. On July 17, 2012, the City entered a new lease agreement with Southwest Colorado Community Corrections Center, Inc.

The new lease encompasses a 2.4-acre tract of City-owned land. The lease is for a period of twenty years ending in 2032 and may be extended for two five-year periods. The rental for the entire twenty-year term was payable in advance upon execution of the agreement. The cost of the assets being leased was \$189,488. The carrying amount of the assets was \$49,267 at December 31, 2019. Depreciation taken during 2019 was \$3,790.

On December 31, 1999, the City entered into a lease agreement with the Volunteers of America for a City-owned parcel of land with an existing building for purposes of operating a shelter. The lease commences on January 1, 2000 and extends until December 31, 2019, subject to annual review and renewal by the parties. The lessee shall pay to the City one dollar per year as consideration for the rental of the property. The provisions of the lease required that the total sum of \$20 be paid on January 1, 2000, thereby eliminating the need for annual payments over the twenty-year period. The carrying value of the leased assets is \$48,730 with a cost of \$81,925 and current year depreciation of \$1,650.

On July 17, 2012, the City entered into a lease agreement with the Regional Housing Alliance of La Plata County for a parcel of land adjacent to Avenida del Sol owned by the City to provide housing assistance for the Durango community. The lease is for a term of twenty years commencing on July 17, 2012 and terminating July 18, 2032 with the option to renew for two additional periods of five years. The consideration for the lease is an annual rental of \$1 per year. The rental for the entire twenty-year term was payable in advance upon execution of the agreement. The parcel did not meet the City's criteria for capitalization.

On October 11, 2001 the City entered into a lease agreement with Manna-The Durango Soup Kitchen, Inc., as the lessee, for a parcel of land adjacent to Avenida del Sol owned by the City on which a soup kitchen facility will be constructed by the organization. The leased premises may only be used for the construction and operation of a community soup kitchen for purposes of providing meals to those in need. The lease is for a term of twenty years commencing on November 1, 2001 and terminating October 31, 2021 with no renewal option. On July 17, 2012, the City entered into a new lease agreement with Manna-The Durango Soup Kitchen that increased the size of the parcel of land to add an addition to their facility. The lease is for a term of twenty years commencing on July 17, 2012 and terminating July 18, 2032 with the option to renew for two additional periods of five years. The consideration for the lease is an annual rental of \$1 per year. The rental for the entire twenty-year term was payable in advance upon execution of the agreement. The parcel did not meet the City's criteria for capitalization.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

On May 27, 2004, the City entered into a lease agreement with Community Connections, Inc. for a City-owned property described as Lot 2, Holly Avenue. The lease is for a twenty-year term terminating December 31, 2023. The rental for the entire twenty-year term was payable in advance upon execution of the agreement. The parcel did not meet the City's criteria for capitalization.

On April 17, 2007, the City entered into a lease agreement with Durango 4-C Council Tri-County Head Start Program. Lessee shall use and occupy the premises for the Head Start Programs and Administration. In December of 2012, the term was extended to December 31, 2016. A month to month lease was in place until an extension was signed in 2018 terminating on December 31, 2018. The lease will automatically be extended for successive two-year terms. Consideration for this lease is \$25,500 payable in monthly installments of \$2,215. Lessee performed radon mitigation on the property and the parties agreed that rent will not be paid from a period of October 2017 through April 2019.

On May 29, 2007 the City entered into a lease agreement with the Children's Museum of Durango d/b/a the Durango Discovery Museum for a City-owned property known as the Power Plant located in the northern section of the Central Business District. The lease is for a term of twenty-five years commencing on May 29, 2007 and terminating May 30, 2032 with the option to renew for additional periods of ten years. The consideration for the lease is an annual rental of \$1 per year. The rental for the entire twenty-five-year term was payable in advance upon execution of the agreement. The carrying value of the leased assets is \$694,982 with a cost of \$1,146,724 and current year depreciation of \$34,057.

On March 1, 2012, the City entered into a lease agreement as lessee with Griffith Properties, LLC. Use of the building including four parking spaces located at 802 Main Avenue. The City will use the property as the Durango Welcome Center. The lease is for a term of four years commencing on March 1, 2012 and terminating February 29, 2016 with the option to renew for two three-year terms. The lease calls for monthly payments of \$4,200 for the first year with 3.5% annual increases for subsequent years.

On February 1, 2012, the City entered into a sub-lease agreement as lessor with Durango Business Improvement District (BID) for joint occupancy of the front 46 2/3 feet of the ground floor space of the property located at 802 Main Ave. The lease is for a term of three years eleven months commencing on February 1, 2012 and terminating December 31, 2015 with the option to renew for two three-year terms contingent upon the City renewing its lease with Griffith Properties. The lease calls for monthly payments of \$1,400 for the first year with 3.5% annual increases for subsequent years. In 2018, the lease was amended to begin on January 1 and run through December 31 and was extended three more years through 2021.

On February 1, 2012, the City entered into a sub-lease agreement as lessor with Durango Area Tourism Office, Inc. for joint occupancy of the front 46 2/3 feet of the ground floor space of the property located at 802 Main Ave. The lease is for a term of three years eleven months commencing on February 1, 2012 and terminating December 31, 2015 with the option to renew for two three-year terms contingent upon the City renewing its lease with Griffith Properties. The lease calls for monthly payments of \$1,400 for the first year with 3.5% annual increases for subsequent years. In 2018, the lease was amended to begin on January 1 and run through December 31 and was extended three more years through 2021.

On February 1, 2012, the City entered into a sub-lease agreement as lessor with Fort Lewis College for joint occupancy of the front 46 2/3 feet of the ground floor space of the property located at 802 Main Ave. The lease is for a term of three years eleven months commencing on February 1, 2012 and terminating December 31, 2015 with the option to renew for two three-year terms contingent upon the City renewing its lease with Griffith Properties. The lease calls for monthly payments of \$1,400 for the first year with 3.5% annual increases for subsequent years. In 2018, the lease was amended to begin on January 1 and run through December 31 and was extended three more years through 2021.

On February 1, 2012, the City entered into a sub-lease agreement as lessor with Durango Area Tourism Office, Inc. for office, conference, and workspace located on the first and second floors of the property located at 802 Main Ave. The lease is for a term of three years eleven months commencing on February 1, 2012 and terminating December

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

31, 2015 with the option to renew for two three-year terms contingent upon the City renewing its lease with Griffith Properties. The lease calls for monthly payments of \$1,400 for the first year with 3.5% annual increases for subsequent years. In 2018, the lease was amended to begin on January 1 and run through December 31 and was extended three more years through 2021. The amount of this lease was also increased to \$2,320 per month with an annual increase of 3.5%.

On June 1, 2014, the City entered into a lease agreement as a lessor with the Durango Gun Club for the property located at 590 Florida Rd. The lease commences on June 1, 2014 and extends for one year to May 31, 2015. The lease will automatically be extended for successive one-year terms unless notice is provided by either party of intent not to renew. No rent shall be due under this lease.

On February 6, 2012, the City entered into a lease agreement as a lessor with the Durango & Silverton Narrow Gauge Railroad Company for a City-owned parcel of land consisting of 62,500 feet located at the corner of Camino del Rio and West College Drive as Narrow Gauge Avenue to be used as a parking lot. The lease commences on February 6, 2012 and extends until February 6, 2015. The lease was renewed for an additional three years and extends until February 6, 2018. The lease calls for an annual rent payment of \$25,000 due on or before February 6th of each year. The lease was renewed for an additional one year to February 6, 2019 and the payment was increased to \$35,000. This is a ground lease for a small portion of land and is not being depreciated.

On February 6, 2002, the City entered into a lease agreement as a lessee with the Durango & Silverton Narrow Gauge Railroad Company for use of the property known as Narrow Gauge Avenue consisting of approximately 132 parking spaces. The lease commences on February 6, 2012 and extends for a period of 99 years. The lease calls for an annual payment of \$47,520 that is adjusted annually based on the Consumer Price Index.

On June 19, 2014, the City entered into a lease agreement as a lessor with the Southern Ute Community Action Program for counter space located in the Transit Center parking lot at 250 W 8th St. The lease commences on August 1, 2014 and extends for one year to July 31, 2015 with the option to renew for two one-year terms. In 2015, this lease was renewed and amended for a term of five years with the option to renew for one five-year term. The lease calls for monthly payments of \$557 for the first year with 3% annual increases for each year thereafter.

On April 10, 2007, the City entered into a lease agreement as a lessor with the Four Corners Gem and Mineral Club for a City owned parcel of land consisting of approximately 40 square feet located within Brookside Park. The lease commences on May 5, 2007 and extends until May 5, 2017. Currently, this lease is expired, and the tenant is staying month to month while a new lease is negotiated. The consideration for the lease is a rental of \$5 due with the execution of the lease. This is a ground lease for a small portion of land and is not being depreciated.

On January 6, 2014, the City entered into a lease agreement as a lessee with the Bureau of Land Management for use of a parcel of land consisting of approximately 3.859 for the extended detention basin located at 32nd St and Holly Ave. The lease commences on January 6, 2014 and extends for a period of 5 years to January 2019. The consideration for the lease is a rental of \$25 per year.

On March 11, 2015, the City entered a lease as lessor with Cellular Inc. Network Corporation, d/b/a Verizon Wireless for use of City premises to locate a telecommunications antenna. The premises are located at the Hillcrest Golf Course. The lease commences on March 11, 2015 and extends for five years with the option to renew for four additional periods of five years. The lease calls for an annual rent payment of \$20,600 for the first year with 3% annual increases each year thereafter.

On September 25, 2015, the City entered a lease as lessor with EICB-TV East for use of City premises to locate a telecommunications equipment. The premises are located at City Hall in the TV control room and on Smelter Mountain. The lease commences on September 30, 2015 and extends for five years with the option to renew for four additional periods of five years. The consideration for the lease is a rental of \$100 per month.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

On February 1, 2011, the City entered into a lease agreement as a lessee with the State of Colorado through the Board of Trustees for Fort Lewis College for use in three phases of three parcels, multi-use fields, softball complex, and six tennis courts. The lease commences on February 1, 2011 and extends for a period of 25 years to January 31, 2036. The term will be extended through January 31, 2046 upon satisfactory completion of Phase I and II and additionally extended through January 31, 2056 upon satisfactory completion of Phase II and III. The lease may then be renewed for one additional five-year term. The consideration for the lease is a rental of \$1 for each year of the lease. Payment for the entire term was received at the commencement of the lease.

On January 24, 2002, the City entered a lease as lessor with Springtree Village Apartments of Durango for use of City premises to construct, own, and operate affordable housing for low- and moderate-income seniors. The premises are located at 32nd St and Holly Ave, and 31st St and W Holly Ave. The lease commences on January 24, 2002 and extends for 55 years. The consideration for the lease is a rental of \$1 for each year of the lease. Payment for the entire term was received at the commencement of the lease.

On August 18, 1958, the City entered a lease as lessor with Municipal Corporation of La Plata County for use of City premises for public recreational purposes, primarily a golf course. The lease commences on August 18, 1958 and extends for 99 years through June 2057. There were additional leases commencing on April 6, 1965 and October 19, 1965 and extending through June 2057 that increased the size of the golf course. The consideration for the lease is a rental of \$1 for each year of the lease.

On June 10, 2015, the City entered a lease as lessor with Hood Mortuary for use of City premises for use as a crematorium. The premises are located at Greenmount Cemetery at 900 Cemetery Rd. The lease commences on January 1, 2015 and extends for 10 years through December 31, 2024. The consideration for the lease is a rental of \$3,000 for each year of the lease payable in advance on the first day of each year of the term of the lease. Payment for the entire term was received at the commencement of the lease.

On September 10, 1996, the City entered a lease as lessee with Durango School District 9R for use of a tract of land as a soccer field, two baseball fields, parking lot, and possibly a future trail. The premises are located adjacent to Riverview Elementary School known as Memorial Park. The lease commences on September 10, 1996 and extends for 25 years through September 9, 2021 with the option to renew for five-year periods. There is no charge to the City associated with this lease.

On April 2, 2013, the City entered a lease as lessee with Durango School District 9R for use of a tract of land as a park. The premises are located north of 12th St, east of Main Ave adjacent to the School District 9R Administration Building known as Buckley Park. The lease commences on April 2, 2013 and extends for 10 years through April 2, 2023 with the option to renew for two ten-year periods. The consideration for the lease is a lump sum of \$1,000 for each ten-year term of the lease.

On September 18, 2017, the City entered into a lease agreement as a lessor with the Durango Chamber of Commerce for a City owned parcel of land at 2301 Main Avenue, commonly known as Brookside Park. The lease commences on January 1, 2018 and extends for a period of 25 years to December 21, 2043. The consideration for this lease is an annual rental of \$1 per year.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

As of December 31, 2019, future minimum rentals receivable under operating leases are as follows:

Year Ending December, 31	Amount
2020	\$ 304,979
2021	310,411
2022	233,674
2023	145,925
2024	141,626
2025-2028	<u>145,782</u>
Total	<u>\$ 1,282,397</u>

3-H. Long-Term Debt

Revenue Bonds – In 2007, the City issued \$15,890,000 Sales and Use Tax Revenue Bonds, series 2007, with interest rates ranging from 4.00 percent to 4.125 percent due in annual installments of \$625,000 to \$1,215,000 beginning December 1, 2008 through December 1, 2025. In April of 2016, the City advanced refunded these bonds. The Sales and Use Revenue Refunding Note has an interest rate of 2.04 percent.

Annual debt service requirements to amortize the 2016 sales and use tax revenue bonds outstanding, as of December 31, 2019 follow:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 1,040,000	\$ 134,334	\$ 1,174,334
2021	1,060,000	113,118	1,173,118
2022	1,085,000	91,494	1,176,494
2023	1,110,000	69,360	1,179,360
2024	1,130,000	46,716	1,176,716
2025	<u>1,160,000</u>	<u>23,664</u>	<u>1,183,664</u>
Total	<u>\$ 6,585,000</u>	<u>\$ 478,686</u>	<u>\$ 7,063,686</u>

In 2009, the City issued \$17,585,000 Sales and Use Tax Revenue Bonds, series 2009, with interest rates ranging from 2.50 percent to 5.0 percent due in annual installments of \$655,000 to \$1,275,000 beginning December 1, 2009 through December 1, 2028. These bonds were advanced refunded in 2017. The City refunded the bonds to reduce its debt service requirements over the next 11 years. The Sales and Use Refunding Note has an interest rate of 2.37 percent. The amount of the deferred outflow on the refunding was \$328,849.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize the 2017 sales and use tax revenue bonds outstanding, as of December 31, 2019 follow:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 1,020,000	\$ 239,133	\$ 1,259,133
2021	1,040,000	214,959	1,254,959
2022	1,070,000	190,311	1,260,311
2023	1,095,000	164,952	1,259,952
2024	1,125,000	139,000	1,264,000
2025-2029	4,740,000	283,215	5,023,215
Total	<u>\$ 10,090,000</u>	<u>\$ 1,231,570</u>	<u>\$ 11,321,570</u>

In 2013, the City obtained a long-term loan from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. Loan payments in the amount of \$246,265 are due annually.

Year Ending December 31,	Principal	Interest	Total
2020	\$ 190,433	\$ 55,833	\$ 246,266
2021	194,164	52,102	246,266
2022	197,969	48,297	246,266
2023	201,848	44,418	246,266
2024	205,803	40,463	246,266
2025-2029	1,091,111	140,217	1,231,328
2030-2033	829,271	32,655	861,926
Total	<u>\$ 2,910,599</u>	<u>\$ 413,985</u>	<u>\$ 3,324,584</u>

In 2016, the City obtained two long-term State Revolving loans from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$58,404,764 and \$2,500,000 to construct a wastewater treatment plant. The term of the loans are 20 years. The larger of the two loans has an interest rate of 1.74 percent while the smallest loan is a zero percent interest rate. Annual principal payments for the zero percent interest loan are \$125,000.

December 31,	Principal	Interest	Total
2020	\$ 125,000	\$ -	\$ 125,000
2021	125,000	-	125,000
2022	125,000	-	125,000
2023	125,000	-	125,000
2024	125,000	-	125,000
2025-2029	625,000	-	625,000
2030-2034	625,000	-	625,000
2035-2037	312,500	-	312,500
Total	<u>\$ 2,187,500</u>	<u>\$ -</u>	<u>\$ 2,187,500</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements on the \$58,404,764 loan are listed below:

December 31,	Principal	Interest	Total
2020	\$ 2,352,605	\$ 920,138	\$ 3,272,743
2021	2,397,453	874,388	3,271,841
2022	2,438,775	829,888	3,268,663
2023	2,481,893	787,138	3,269,031
2024	2,526,094	746,138	3,272,232
2025-2029	13,118,020	3,237,590	16,355,610
2030-2034	13,943,478	2,412,614	16,356,092
2035-2038	12,362,124	724,742	13,086,866
Total	<u>\$ 51,620,442</u>	<u>\$ 10,532,636</u>	<u>\$ 62,153,078</u>

Certificates of Participation - In 2014, the City issued series 2014 Certificates of Participation in the amount of \$2,700,000, proceeds will be used to construct Wilson Gulch Road in what is known as Three Springs within the City limits. This road will provide for economic development with big box retailers to ensure long term viability for the City. Principal and interest payments will be reimbursed from GRVP, LLC up to \$947,600 until bona fide commitments to locate new retail within the Three Springs Development in an am amount in excess of a total of 11,000 square feet or retail space or until December 31, 2019 whichever occurs first.. A schedule, by years, of future minimum lease payments under the lease agreement as of December 31, 2019 follows:

December 31,	Principal	Interest	Total
2020	\$ 115,000	\$ 76,475	\$ 191,475
2021	115,000	72,450	187,450
2022	120,000	68,425	188,425
2023	125,000	64,226	189,226
2024	130,000	59,850	189,850
2025-2029	725,000	227,502	952,502
2030-2034	855,000	91,878	946,878
Total	<u>\$ 2,185,000</u>	<u>\$ 660,806</u>	<u>\$ 2,845,806</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2019:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019	Amounts Due in One Year
Governmental Activities					
2009 Sales & Use Tax Bonds	\$ 860,000	\$ -	\$ 860,000	\$ -	\$ -
2014 Certificates of Participation	2,295,000	-	110,000	2,185,000	115,000
2016 Sales & Use Refunding Note	7,600,000	-	1,015,000	6,585,000	1,040,000
2017 Sales & Use Refunding Note	10,210,000	-	120,000	10,090,000	1,020,000
Compensated absences	1,441,618	1,514,779	1,371,300	1,585,097	792,549
Compensated absences - ISF	86,996	76,016	73,534	89,478	44,739
Total Governmental Activities	<u>\$ 22,493,614</u>	<u>\$ 1,590,795</u>	<u>\$ 3,549,834</u>	<u>\$ 20,534,575</u>	<u>\$ 3,012,288</u>

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019	Amounts Due in One Year
Business Type Activities					
Colorado Water Loan - Water	\$ 3,097,373	\$ -	\$ 186,774	\$ 2,910,599	\$ 190,433
Colorado Water Loan - Sewer	53,925,732	-	2,305,290	51,620,442	2,352,605
Colorado Water Loan - Sewer 0% Interest	2,312,500	-	125,000	2,187,500	125,000
Loan Premium Amortization	1,177,486	-	58,874	1,118,612	58,874
Compensated absences - enterprise funds	253,998	481,701	428,705	306,994	153,497
Total Business Type Activities	<u>\$ 60,767,089</u>	<u>\$ 481,701</u>	<u>\$ 3,104,643</u>	<u>\$ 58,144,147</u>	<u>\$ 2,880,409</u>

The 2016 Sales and Use Revenue Refunding Note were originally issued for the construction of a new Public Library. The 2008 bonds are used to pay debt on the Recreation Center and the Animas River Trail and River Greenway. The 2009 bonds were issued for the reconstruction of Florida Road and were refunded in 2017 to the 2017 Sales & Use Revenue Refunding Note. The Water Fund charges and services provide funding for annual payments on the water storage loan. The Sewer Fund charges and services provide funding for annual payments on the two loans. The City believes they are in compliance with all covenants related to all long-term debt. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The General fund is used to liquidate the compensated absences liability.

3-I. Pensions

The City, on behalf of certain paid firefighters and policemen, contributes to the Policemen Pension Plan and the Firemen Pension Plan, both defined benefit, single employer plans that are affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member's Benefit fund; an agent multiple-employer defined benefit pension plan administered by FPPA. FPPA is the trustee for these funds. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and recommended by the Pension Board of each plan and further approved by the City Council. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

Firemen Plan Description – The Firemen Pension Plan covers only those firemen hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of the City Council. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Firemen Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 50 with 20 years of service. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 1.75 percent of final salary times service in excess of 20 years served since January 1, 1992. The maximum benefit amount is limited to 70 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001. The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2019 there are no active members in the plan.

Policemen Plan Description - The Policemen Pension Plan covers only those policemen hired prior to April 8, 1978 and provides retirement benefits to plan members and their beneficiaries. Title 31 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plan to the City Council with the input of the Pension Board.

Policemen Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 55 with 20 years' service or upon completion of 25 years of service, if earlier. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 2.0 percent of final salary times service in excess of 20 years, limited to a maximum total benefit of 75 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001. The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2019 there are no active members in the plan.

Membership of each plan was comprised of the following on December 31, 2019:

	Firemen Pension	Policemen Pension
Retirees and beneficiaries		
receiving benefits	8	8
Disabled retired members	-	-
Active plan members	-	-
	8	8

Contributions - The contributions of plan members and the City are established by state statute under Title 31, Article 30 of the CRS, as amended. There are no active members in the plans. The City is contributing to the plans at the level required by the actuarial valuations. The General Fund has typically been used to liquidate pension liabilities.

Contributions to the plans for the year ended December 31, 2019 were as follows:

	Firemen Pension	Policemen Pension
Employer Contributions	\$ 142,388	\$ 141,741

Net Pension Liability – Firemen Plan

The City of Durango's net pension liability for each Plan is 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 that date. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Assumptions

The total pension liabilities in the January 1, 2018 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
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 the participants.

Asset Allocation for FPPA

As of the most recent analysis of the long-term expected rate of return, the target allocation and 5-year real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	2.00%	2.52%
Fixed Income	15.00%	2.90%
Managed Futures	4.00%	5.35%
Absolute Return	9.00%	5.08%
Equity Long/Short	9.00%	6.45%
Global Equity	37.00%	8.03%
Private Markets	24.00%	10.00%
Total	100.00%	

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 long-term expected rate of return on pension plan investments is 7.5%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.5%.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Total pension liability

Service Cost	\$ -
Interest on the Total Pension Liability	166,841
Benefit Changes	120,167
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(239,393)
Net change in total pension liability	47,615
Total pension liability - beginning	2,221,913
Total pension liability - ending	<u>\$ 2,269,528</u>

Plan fiduciary net position

Contribution - employer	\$ 258,101
Contributions - employee	-
Net investment income	(1,245)
Benefit payments	(239,393)
Pension Plan Administrative Expense	(5,777)
Net change in plan fiduciary net position	11,686
Plan fiduciary net position - beginning	992,332
Plan fiduciary net position - ending	<u>\$ 1,004,018</u>

Net pension liability / (asset) \$ 1,265,510

Plan fiduciary net position as percentage of total pension liability 44.24%

Sensitivity of the net pension liability to changes in the discount rate

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, 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.

	Sensitivity		
	1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
Old Hire - Fire - Pension Liability	\$ 1,424,182	\$ 1,265,510	\$ 1,126,601

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2019, the City recognized pension income of \$32,785. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 47,566	\$ -
Contributions Subsequent to measurement date	142,388	-
Total	<u>\$ 189,954</u>	<u>\$ -</u>

\$142,388 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2020	\$ 21,090
2021	8,216
2022	3,030
2023	15,230
Total	<u>\$ 47,566</u>

Net Pension Liability – Policemen Plan

The City of Durango's net pension liability for each Plan is 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 that date. A summary of principal assumptions and methods used to determine the net pension liability is show below.

Actuarial Assumptions

The total pension liabilities in the January 1, 2018 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	18 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
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 the participants.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Asset Allocation for FPPA

As of the most recent analysis of the long-term expected rate of return, the target allocation and 5-year real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	2.00%	2.52%
Fixed Income	15.00%	2.90%
Managed Futures	4.00%	5.35%
Absolute Return	9.00%	5.08%
Equity Long/Short	9.00%	6.45%
Global Equity	37.00%	8.03%
Private Markets	24.00%	10.00%
Total	100.00%	

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 long-term expected rate of return on pension plan investments is 7.5%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.5%.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Net Pension Liability / (Asset)
Measurement Period Ended December 31, 2018

Total pension liability	
Service Cost	\$ -
Interest on the Total Pension Liability	218,807
Benefit Changes	132,122
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	<u>(275,496)</u>
Net change in total pension liability	75,433
Total pension liability - beginning	<u>2,920,562</u>
Total pension liability - ending	<u><u>\$ 2,995,995</u></u>
Plan fiduciary net position	
Contribution - employer	\$ 260,476
Contributions - employee	-
Net investment income	(775)
Benefit payments	(275,496)
Pension Plan Administrative Expense	<u>(5,777)</u>
Net change in plan fiduciary net position	(21,572)
Plan fiduciary net position - beginning	<u>1,539,507</u>
Plan fiduciary net position - ending	<u><u>\$ 1,517,935</u></u>
Net pension liability / (asset)	\$ 1,478,060
Plan fiduciary net position as percentage of total pension liability	50.67%

Sensitivity of the net pension liability to changes in the discount rate

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, 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.

	Sensitivity		
	1% Decrease	Rate Assumption	1% Increase
	6.50%	7.50%	8.50%
Old Hire - Police - Pension Liability	\$ 1,705,451	\$ 1,478,060	\$ 1,280,029

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2019, the City recognized pension income of \$3,968. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 68,040	\$ -
Contributions Subsequent to measurement date	141,741	-
Total	<u>\$ 209,781</u>	<u>\$ -</u>

\$141,741 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2020	\$ 30,160
2021	11,090
2022	3,694
2023	23,096
Total	<u>\$ 68,040</u>

The City participates in two defined contribution plans.

401A Money Purchase Plan Fire and Police: Effective January 1, 1988 eligible firemen and policemen, with hire dates on or after April 8, 1978, elected to withdraw from the state administered Colorado Fire and Police Pension Association, a defined benefit pension plan. The state legislation allowing the withdrawal states that the alternate pension plan must be a money purchase plan. The new plan offered to eligible participants is a 401(a) Money Purchase Plan administered by the ICMA Retirement Corporation. Each participant has an individual account with ICMA into which all contributions flow. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options. The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. The contributions are vested at 20% each year. City contributions for and interest forfeited by employees who leave employment before five years of service are used to reduce the City's obligations to contributed.

The City's total payroll for the year ended December 31, 2019 was \$21,040,851. The City's payroll for employees covered by the plan was \$3,398,787. The contribution to the plan totaled \$732,890, which consists of \$326,535 contributed by employees and \$406,355 contributed by the City.

401A Money Purchase Plan Empower Retirement - Effective November 1, 1989, the City withdrew from Public Employees Retirement Association of Colorado, a defined benefit pension plan. The City has set up an alternate plan in the form of a money purchase plan. The plan offered to eligible participants is a 401(a) Money Purchase Plan administered by Empower Retirement. The participants are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The City may amend, modify, or terminate the Plan, upon approval of such amendment, modification or termination by 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. These contributions are vested at 20% each year. City contributions, and the interest thereon, for employees who leave employment prior to becoming vested are applied towards the City's obligation to contribute.

The City's total payroll for the year ended December 31, 2019 was \$21,040,851. The City's payroll for employees covered by the plan was \$15,603,986. The contribution to the plan totaled \$3,263,496, which consists of \$1,454,033 contributed by employees and \$1,809,463 contributed by the City.

3-J. Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2019 are as follows:

	Governmental Activities	Business Type Activities
Cost of Capital Assets	\$ 350,670,582	\$ 183,302,992
Less accumulated depreciation	158,043,343	45,741,117
Book value	192,627,239	137,561,875
Less capital related debt	(18,860,000)	(57,837,153)
Less retainage	(198,539)	(242,602)
Plus unspent bond proceeds	-	4,070,526
Net investment in capital assets	<u>\$ 173,568,700</u>	<u>\$ 83,552,646</u>

3-K Fund Equity

Fund Balances - Fund balances are classified as follows:

- **Nonspendable** -The following fund balances are nonspendable because they are not in spendable form:

General Fund:

Inventories	<u>\$ 57,311</u>
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- **Restricted** -The following fund balances are legally restricted to specified purposes:

General Fund:

Emergencies	\$ 1,630,839
Pension	116,483
Total	<u>\$ 1,747,322</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Major Capital Projects Fund:

Capital Improvement Fund	\$ 728
Parks, Open Space and Trails Fund	2,261,412
Total	<u>\$ 2,262,140</u>

Nonmajor Governmental Funds:

Conservation Trust projects	\$ 218,936
Debt Service payments	418,724
Total	<u>\$ 637,660</u>

- **Committed-** The following fund balances are committed to the following purposes:

General Fund:

Reserve for PEG fees	\$ 56,519
Reserve for police confiscations	68,318
Total	<u>\$ 124,837</u>

Major Capital Projects Fund:

Capital projects	<u>\$ 6,884,557</u>
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Nonmajor Governmental Funds:

Park development projects	\$ 83,521
Street improvement projects	2,314,779
Road Impact fee projects	67,840
Durango Tourism	119,757
Storm drainage fee projects	8,094
Total	<u>\$ 2,593,991</u>

- **Assigned-** The following fund balances are assigned to the following purposes:

General Fund:

Funds held in escrow	<u>\$ 634,738</u>
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Nonmajor Governmental Funds:

Loan payables	<u>\$ 9,711</u>
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Note 4 - Other Notes

4-A. Risk Management

Employee Medical Insurance - Effective January 1, 1985, the City began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of City employees and their covered dependents up to certain limits and to minimize the total cost of annual medical insurance to the City. The employer pays employee and a percentage of the dependent coverage. Claims are processed and paid by Meritain Health, a third-party administrator. Individual excess risk coverage commences after an individual has incurred \$75,000 of claims in a year. The City carried the aggregate coverage for any claims up to a maximum of \$5,461,868 in 2019. The excess risk coverage for both individual and aggregate claims coverage was covered by Risk Assessment Management, a private insurance carrier. Settled claims have not exceeded coverage in any of the past three fiscal years.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 - Other Notes (Continued)

The claims liability reported in the Self Insurance Fund (an internal service fund) at December 31, 2019 is based on claims reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in balance in claims liabilities can be summarized as follows:

Date	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2017	\$ 385,667	\$ 3,715,617	\$ 3,574,795	\$ 526,489
2018	526,559	4,136,328	4,296,264	366,623
2019	366,623	3,924,359	3,911,076	379,906

Property, Casualty and Workers Compensation Insurance - The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Colorado Intergovernmental Risk Sharing Agency (CIRSA) is a public entity risk pool currently operating as a common risk management and insurance program for over 100 municipalities. The City, as member of the pool, pays annual premiums to CIRSA for its property and casualty insurance and workers' compensation insurance coverage. The bylaws and Intergovernmental Agreement of CIRSA provides that CIRSA will provide coverage through pooling of self-insured losses and the purchase of stop-loss insurance coverage.

CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

Ultimate liability to the City resulting from claims not covered by CIRSA is not presently determinable. Management and the City attorney are of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

There were no significant reductions in insurance coverage from prior years, and there have been no settlements that exceed the City's insurance coverage during the past three years.

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2019. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 - Other Notes (Continued)

4-C. Joint Ventures

The City is a participant with LaPlata County (the county) in a joint venture to operate the Durango-LaPlata County Airport. Pursuant to an intergovernmental agreement, the Airport Commission was created. The commission consists of nine members, three of which are appointed by the City Council. The airport manager is employed by the concurrent action of the City Council and the Board of County Commissioners. The City and County each have a 50 percent interest in all airport property. Through an intergovernmental agreement entered into by the City and the County, fiscal administration of the airport was delegated to the City.

The Airport's net position at fiscal year-end was \$48,668,225, 50 percent equity interest is booked as the joint venture.

Condensed Statement of Net Position

	Business-type Activities 2019
Assets:	
Current assets	\$ 10,316,460
Capital assets	43,206,822
Total assets	<u>53,523,282</u>
Liabilities:	
Current liabilities	1,228,689
Long-term liabilities	3,626,368
Total liabilities	<u>4,855,057</u>
Net Position:	
Net investment in Capital Assets	39,306,822
Restricted	3,785,035
Unrestricted	5,576,368
Total net position	<u>\$ 48,668,225</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 - Other Notes (Continued)

The following table provides a summary of the Airport's changes in net position:

Summary of Changes in Net Position

	Business-type Activities 2019
Revenues:	
Operating revenues	\$ 4,523,960
Non-operating revenues	6,718,634
Total revenues	<u>11,242,594</u>
Expenses:	
Operating expense	3,492,178
Non-operating expense	72,508
Depreciation	2,541,545
Total expenses	<u>6,106,231</u>
Capital contributions	<u>755,596</u>
Changes in net position	<u>5,891,959</u>
Beginning net position	42,776,266
Ending net position	<u>\$ 48,668,225</u>

The City's equity interest in the airport is reported in the government-wide capital assets. The City's equity interest in the Durango-LaPlata County Airport was \$24,334,112 at December 31, 2019. The Durango La Plata County Airport issues separate financial statements which may be obtained from the Airport or from the City of Durango Finance Department.

4-D. Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment, also known as TABOR, is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

At the April 4, 1995 municipal election, the voters authorized the City to collect and retain all revenues received during the period beginning January 1, 1994 and extending through December 31, 1997, notwithstanding any revenue or spending limitations on fiscal year spending pursuant to the Amendment. The authority to collect and retain all revenues received was extended for the year 1998 and all subsequent years at the April 1, 1997 municipal election.

4-E. Restatement

For the year ended December 31, 2019, prior period adjustments were made to correct errors related to sales tax revenues which should have been recorded during the prior period within governmental activities and the general fund. Corrected errors for business-type activities and the water fund are related to items which were capitalized by the City and should have been expensed in prior years. See impact to beginning net position and fund balance below.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 - Other Notes (Continued)

	Governmental Activities	Business-Type Activities	General Fund	Water Utility Fund
Net Position/Fund Balance January 1, 2019	\$ 212,802,159	\$ 104,753,885	\$ 7,447,379	\$ 56,551,837
Correction of an error	<u>375,546</u>	<u>(1,160,995)</u>	<u>375,546</u>	<u>(1,160,995)</u>
Net Position/Fund Balance January 1, 2019 Restated	<u>\$ 213,177,705</u>	<u>\$ 103,592,890</u>	<u>\$ 7,822,925</u>	<u>\$ 55,390,842</u>

4-F. Subsequent Event

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 operations and financial results, but the effects are currently unknown. Management believes the Town is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

4-G. Contingencies

At times, various suits and claims may be pending for the City. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that the final outcome of these matters will not materially affect the financial statements. The District Court for La Plata County has ordered an individual, who has plead guilty to a theft and embezzlement of City funds to pay restitution to the City in the amount of \$710,449.

As a result, computer access security and internal controls have been tightened. The City's total potential recovery from restitution is \$250,000. The likelihood of collecting any of the additional restitution is unknown. The City collected \$250,000 in Fiscal Year 2021 and has not recorded any estimated revenue from possible future payments. If the City receives any future restitution payments, the payments will be recorded as revenue in the period the payments are received.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2019

Old Hire Fire Pension Plan Required Supplementary Information

Schedules of Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Fire Pension Association Old Hire Fire Plan
For The Last Ten Fiscal Years

Measurement Year Ending December 31,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total pension liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	153,060	156,903	168,874	162,946	166,841
Benefit Changes	N/A	N/A	N/A	N/A	N/A	146,102	-	131,823	-	120,167
Difference between expected and actual experience	N/A	N/A	N/A	N/A	N/A	-	19,701	-	17,472	-
Changes of assumptions	N/A	N/A	N/A	N/A	N/A	-	91,649	-	-	-
Benefit payments	N/A	N/A	N/A	N/A	N/A	(253,376)	(242,277)	(238,568)	(257,593)	(239,393)
Net change in total pension liability	N/A	N/A	N/A	N/A	N/A	\$ 45,786	\$ 25,976	\$ 62,129	\$ (77,175)	\$ 47,615
Total pension liability - beginning	N/A	N/A	N/A	N/A	N/A	2,165,197	2,210,983	2,236,959	2,299,088	2,221,913
Total pension liability - ending	N/A	N/A	N/A	N/A	N/A	\$ 2,210,983	\$ 2,236,959	\$ 2,299,088	\$ 2,221,913	\$ 2,269,528
Plan fiduciary net position										
Contribution - employer	N/A	N/A	N/A	N/A	N/A	\$ 234,321	\$ 117,868	\$ 117,868	\$ 126,278	\$ 258,101
Contributions - employee	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
Net investment income	N/A	N/A	N/A	N/A	N/A	71,839	19,430	49,741	130,707	(1,245)
Benefit payments	N/A	N/A	N/A	N/A	N/A	(253,376)	(242,277)	(238,568)	(257,593)	(239,393)
Pension Plan Administrative Expense	N/A	N/A	N/A	N/A	N/A	(5,792)	(5,037)	(4,730)	(2,004)	(5,777)
Net change in plan fiduciary net position	N/A	N/A	N/A	N/A	N/A	\$ 46,992	\$ (110,016)	\$ (75,689)	\$ (2,612)	\$ 11,686
Plan fiduciary net position - beginning	N/A	N/A	N/A	N/A	N/A	1,133,657	1,180,649	1,070,633	994,944	992,332
Plan fiduciary net position - ending	N/A	N/A	N/A	N/A	N/A	\$ 1,180,649	\$ 1,070,633	\$ 994,944	\$ 992,332	\$ 1,004,018
Net pension liability / (asset)	N/A	N/A	N/A	N/A	N/A	\$ 1,030,334	\$ 1,166,326	\$ 1,304,144	\$ 1,229,581	\$ 1,265,510
Plan fiduciary net position as percentage of total pension liability	N/A	N/A	N/A	N/A	N/A	53.40%	47.86%	43.28%	44.66%	44.24%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Pension Contributions
Fire Pension Association Old Hire Fire Plan
For The Last Ten Fiscal Years

Measurement Year Ending December 31,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined annual required contribution	\$ -	\$ -	\$ -	\$ -	\$ 93,408	\$ 117,868	\$ 117,868	\$ 126,278	\$ 126,278	\$ 142,388
Contributions in relation to the actuarially determined contribution	-	-	-	-	234,321	117,868	117,868	126,278	126,278	142,388
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (140,913)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2019

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag so the actuarial valuation as of January 1, 2016, determines the contribution amounts for 2017 and 2018.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
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% for females.

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

Old Hire Police Pension Plan Required Supplementary Information

Schedules of Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Police Pension Association Old Hire Fire Plan
For The Last Ten Fiscal Years

Measurement Year Ending December 31,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total pension liability										
Service Cost	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	199,962	205,124	216,400	210,904	218,807
Benefit Changes	N/A	N/A	N/A	N/A	N/A	153,187	-	137,606	-	132,122
Difference between expected and actual experience	N/A	N/A	N/A	N/A	N/A	-	(29,987)	-	52,524	-
Changes of assumptions	N/A	N/A	N/A	N/A	N/A	-	114,413	-	-	-
Benefit payments	N/A	N/A	N/A	N/A	N/A	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)
Net change in total pension liability	N/A	N/A	N/A	N/A	N/A	\$ 62,734	\$ 11,529	\$ 78,464	\$ (40,914)	\$ 75,433
Total pension liability - beginning	N/A	N/A	N/A	N/A	N/A	2,808,749	2,871,483	2,883,012	2,961,476	2,920,562
Total pension liability - ending	N/A	N/A	N/A	N/A	N/A	\$ 2,871,483	\$ 2,883,012	\$ 2,961,476	\$ 2,920,562	\$ 2,995,995
Plan fiduciary net position										
Contribution - employer	N/A	N/A	N/A	N/A	N/A	\$ 253,957	\$ 110,495	\$ 110,495	\$ 122,870	\$ 260,476
Contributions - employee	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
Net investment income	N/A	N/A	N/A	N/A	N/A	108,853	29,792	77,637	204,149	(775)
Benefit payments	N/A	N/A	N/A	N/A	N/A	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)
Pension Plan Administrative Expense	N/A	N/A	N/A	N/A	N/A	(6,641)	(2,741)	(5,561)	(2,004)	(5,777)
Net change in plan fiduciary net position	N/A	N/A	N/A	N/A	N/A	\$ 65,754	\$ (140,475)	\$ (92,971)	\$ 20,673	\$ (21,572)
Plan fiduciary net position - beginning	N/A	N/A	N/A	N/A	N/A	1,686,526	1,752,280	1,611,805	1,518,834	1,539,507
Plan fiduciary net position - ending	N/A	N/A	N/A	N/A	N/A	\$ 1,752,280	\$ 1,611,805	\$ 1,518,834	\$ 1,539,507	\$ 1,517,935
Net pension liability / (asset)	N/A	N/A	N/A	N/A	N/A	\$ 1,119,203	\$ 1,271,207	\$ 1,442,642	\$ 1,381,055	\$ 1,478,060
Plan fiduciary net position as percentage of total pension liability	N/A	N/A	N/A	N/A	N/A	61.02%	55.91%	51.29%	52.71%	44.24%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2019

Schedule of Pension Contributions
Police Pension Association Old Hire Fire Plan
For The Last Ten Fiscal Years

Measurement Year Ending December 31,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined annual required contribution	\$ -	\$ -	\$ -	\$ -	\$ 106,210	\$ 110,495	\$ 110,495	\$ 122,870	\$ 122,870	\$ 141,741
Contributions in relation to the actuarially determined contribution	-	-	-	-	253,957	110,495	110,495	122,870	122,870	141,741
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (147,747)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2016, determines the contribution amounts for 2017 and 2018.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	18 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
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% for females.

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

City of Durango, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Required Supplementary Information
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018*
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Property taxes	\$ 2,789,748	\$ 2,789,748	\$ 2,712,128	\$ (77,620)	\$ 2,692,041
Specific ownership taxes	240,000	240,000	299,727	59,727	285,434
Sales taxes	16,165,000	16,165,000	16,381,884	216,884	15,873,878
Use taxes	1,275,000	1,275,000	1,009,212	(265,788)	1,074,400
Sales and use tax audit	150,000	150,000	32,610	(117,390)	132,797
La Plata County shared sales tax	4,250,000	4,250,000	4,432,322	182,322	4,045,539
La Plata County joint sales tax	2,071,354	2,071,354	2,232,115	160,761	2,097,138
Cigarette tax	90,000	90,000	77,682	(12,318)	85,420
Franchise fees and occupational taxes	1,772,000	1,772,000	1,692,419	(79,581)	1,672,067
Special assessments	15,000	15,000	-	(15,000)	12,971
Intergovernmental	2,393,392	3,969,333	3,422,970	(546,363)	2,891,022
Licenses and permits	845,500	845,500	729,708	(115,792)	759,016
Charges for services	4,476,591	4,491,082	6,539,922	2,048,840	5,047,270
Fines and forfeitures	238,000	238,000	138,544	(99,456)	186,064
Investment earnings	75,000	75,000	339,087	264,087	80,399
Miscellaneous	3,929,397	3,929,397	1,755,122	(2,174,275)	1,211,000
Total Revenues	<u>40,775,982</u>	<u>42,366,414</u>	<u>41,795,452</u>	<u>(570,962)</u>	<u>38,146,456</u>
Expenditures					
Current:					
General government	8,730,569	8,786,704	8,394,641	392,063	7,816,690
Public safety	14,984,422	15,392,443	14,558,963	833,480	14,551,095
Public works	3,822,203	3,822,203	3,444,109	378,094	3,231,843
Parks and recreation	8,212,069	8,212,069	7,343,800	868,269	7,018,179
Library	2,365,079	2,422,075	2,383,009	39,066	2,275,892
Community services	752,318	2,098,311	1,302,020	796,291	1,168,207
Non-departmental	1,835,586	1,991,712	1,833,941	157,771	1,684,325
Debt Service:					
Principal	110,000	110,000	110,000	-	105,000
Interest and other charges	80,325	80,325	80,325	-	84,000
Total Expenditures	<u>40,892,571</u>	<u>42,915,842</u>	<u>39,450,808</u>	<u>3,465,034</u>	<u>37,935,231</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(116,589)</u>	<u>(549,428)</u>	<u>2,344,644</u>	<u>(4,035,996)</u>	<u>211,225</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	15,000	15,000	1,176	(13,824)	6,090
Transfers in	915,849	915,849	720,908	(194,941)	742,974
Total Other Financing Sources (Uses)	<u>930,849</u>	<u>930,849</u>	<u>722,084</u>	<u>(208,765)</u>	<u>749,064</u>
Net Change in Fund Balances	<u>\$ 814,260</u>	<u>\$ 381,421</u>	<u>3,066,728</u>	<u>\$ (4,244,761)</u>	<u>960,289</u>
Fund Balances, Beginning of Year (As Restated)			<u>7,822,925</u>		<u>6,468,749</u>
Increase in Reserve for Inventory			<u>(12,569)</u>		<u>18,341</u>
Fund Balances, End of Year			<u>\$ 10,877,084</u>		<u>\$ 7,447,379</u>

*Prior year balances have not been restated due to prior period adjustment. See Note 4-E for additional information.

Notes to required supplementary information. This budgetary comparison schedule is presented on a basis in conformance with generally accepted accounting principles (GAAP).



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Recreation Complex/Trails Fund – to account for the one-half cent sales and use tax revenues originally voted on and adopted by the electorate in April 1999 and reauthorized in April of 2015. The revenues may only be used to pay the debt service on the Sales and Use Tax Revenue Bonds, series 2008, for Parks and Recreation and Multi Modal projects and operations.

Revolving Loan Fund - to account for the loan repayments made by the recipients of Community Development Block Grant monies.

Durango Tourism Fund - to account for a 2 percent tax levied on lodgers within the City. These funds are set aside for tourist promotional purposes.

Streets Improvement Fund – to account for sales and use tax revenues. These funds can be used for street improvements and street maintenance.

Parks and Recreation Development Fund - to account for payment of fees in lieu of land dedication. These fees are made at the time of recording a final plat. These funds can only be used for acquisition and park development.

Conservation Trust Fund - to account for the State lottery proceeds. These funds can only be used for acquisition, capital improvements and maintenance of parks, recreation and open space programs.

Road Impact Fund – to account for fees imposed for road impacts as a result of new development within the City's service area. These fees must be used for identified road projects within a certain time frame or they must be refunded.

Storm Drainage Fund - to account for storm drainage developer fees. These funds can be used only for capital improvements to storm sewer facilities.

Debt Service Funds

Sales Tax Bonds Debt Service Fund – To accumulate monies for payment of the 2007 and 2008 series Sales and Use Tax Revenue Bonds.

2007 Sales Tax Bonds Debt Service Fund – To accumulate monies for payment of the 2009, 2016 and 2017 series Sales and Use Tax Revenue Bonds.

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds – By Fund Type
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 2,302,653	\$ 418,724	\$ 2,721,377
Receivables			
Accounts	9,711	-	9,711
Sales and use taxes	893,550	-	893,550
Lodger's taxes	63,499	-	63,499
Total Assets	<u>3,269,413</u>	<u>418,724</u>	<u>3,688,137</u>
Liabilities and Fund Balances			
Liabilities:			
Interfund payable	877,264	-	877,264
Total Liabilities	<u>877,264</u>	<u>-</u>	<u>877,264</u>
Fund Balances			
Restricted	218,936	418,724	637,660
Committed	2,593,991	-	2,593,991
Assigned	9,711	-	9,711
Unassigned	(430,489)	-	(430,489)
Total Fund Balances	<u>2,392,149</u>	<u>418,724</u>	<u>2,810,873</u>
Total Liabilities and Fund Balances	<u>\$ 3,269,413</u>	<u>\$ 418,724</u>	<u>\$ 3,688,137</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds – By Fund Type
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Revenues			
Sales taxes	\$ 6,310,594	\$ -	\$ 6,310,594
Use taxes	353,074	-	353,074
Lodgers' taxes	1,098,958	-	1,098,958
Intergovernmental	212,145	-	212,145
Licenses and permits	10,400	-	10,400
Investment earnings	4,463	-	4,463
Miscellaneous	311,728	-	311,728
Total Revenues	8,301,362	-	8,301,362
Expenditures			
Current			
General government	31,604	-	31,604
Economic development	862,114	-	862,114
Debt Service			
Principal retirement	-	1,995,000	1,995,000
Interest and fiscal charges	-	431,417	431,417
Total Expenditures	893,718	2,426,417	3,320,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,407,644	(2,426,417)	4,981,227
Other Financing Sources (Uses)			
Transfers in	-	2,427,004	2,427,004
Transfers out	(5,538,568)	-	(5,538,568)
Total Other Financing Sources (Uses)	(5,538,568)	2,427,004	(3,111,564)
Net Change in Fund Balances	1,869,076	587	1,869,663
Fund Balances, Beginning of Year	523,073	418,137	941,210
Fund Balances, End of Year	\$ 2,392,149	\$ 418,724	\$ 2,810,873

City of Durango, Colorado
General Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Cash on hand	\$ 5,279	\$ 7,635
Equity in treasurer's cash and investments	7,951,562	5,078,615
Cash held in escrow	634,738	663,947
Receivables		
Accounts	311,981	214,872
Property taxes	2,917,639	2,720,674
Sales and use taxes receivable	1,786,475	1,765,426
Franchise taxes	74,522	75,390
Special assessments	5,550	5,550
Intergovernmental	1,774,334	919,310
Interest	121,043	170,403
Interfund	1,098,264	821,000
Inventory	57,311	69,880
Total Assets	16,738,698	12,512,702
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	1,166,635	772,862
Accrued expenditures	807,946	617,981
Deposits	735,666	781,712
Unearned Revenue	233,728	172,094
Total Liabilities	2,943,975	2,344,649
Deferred Inflows of Resources		
Property taxes	2,917,639	2,720,674
Total Deferred Inflows of Resources	2,917,639	2,720,674
Total Liabilities and Deferred Inflows of Resources	5,861,614	5,065,323
Fund Balances		
Nonspendable	57,311	69,880
Restricted	1,747,322	1,580,768
Committed	124,837	124,197
Assigned	634,738	1,088,811
Unassigned	8,312,876	4,583,723
Total Fund Balances	10,877,084	7,447,379
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,738,698	\$ 12,512,702

City of Durango, Colorado
General Fund
Schedule of Revenues – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Taxes:					
Property taxes	\$ 2,789,748	\$ 2,789,748	\$ 2,712,128	\$ (77,620)	\$ 2,692,041
Specific ownership	240,000	240,000	299,727	59,727	285,434
Sales tax	16,165,000	16,165,000	16,381,884	216,884	15,873,878
Use Tax	1,275,000	1,275,000	1,009,212	(265,788)	1,074,400
Sales and use tax audit	150,000	150,000	32,610	(117,390)	132,797
La Plata County shared sales tax	4,250,000	4,250,000	4,432,322	182,322	4,045,539
La Plata County joint sales tax	2,071,354	2,071,354	2,232,115	160,761	2,097,138
Cigarette tax	90,000	90,000	77,682	(12,318)	85,420
Franchise and business tax	1,772,000	1,772,000	1,692,419	(79,581)	1,672,067
Total Taxes	28,803,102	28,803,102	28,870,099	66,997	27,958,714
Licenses and Permits					
Business license and permits	392,000	392,000	411,237	19,237	357,920
Building permits	453,500	453,500	318,471	(135,029)	401,096
Total Licenses and Permits	845,500	845,500	729,708	(115,792)	759,016
Intergovernmental					
Grants	417,392	1,993,333	1,162,030	(831,303)	783,635
Highway user tax	515,000	515,000	668,725	153,725	659,294
Severance/mineral lease	194,000	194,000	297,825	103,825	193,733
Motor vehicle registration	67,000	67,000	66,590	(410)	62,265
Road and bridge	200,000	200,000	196,449	(3,551)	194,820
Other intergovernmental	1,000,000	1,000,000	1,031,351	31,351	997,275
Total Intergovernmental	2,393,392	3,969,333	3,422,970	(546,363)	2,891,022
Charges for Services:					
General government charges	272,250	272,250	178,514	(93,736)	213,836
Public safety charges	47,000	47,000	37,051	(9,949)	44,786
Cemetery charges	85,500	85,500	98,050	12,550	80,450
Recreation Center charges	2,570,065	2,584,556	2,298,564	(285,992)	2,303,655
Recreation program charges	1,501,776	1,501,776	1,283,209	(218,567)	1,221,577
Total Charges for Services	4,476,591	4,491,082	3,895,388	(595,694)	3,864,304
Fines and Forfeits:					
Traffic fines	175,000	175,000	102,406	(72,594)	140,168
Non-traffic fines	35,000	35,000	12,789	(22,211)	20,079
Library fines	28,000	28,000	23,349	(4,651)	25,817
Total Fines and Forfeits	238,000	238,000	138,544	(99,456)	186,064
Special Assessments	15,000	15,000	-	-	12,971
Miscellaneous					
Pension forfeitures	75,000	75,000	189,997	114,997	121,595
Rents and royalties	408,000	408,000	357,271	(50,729)	332,923
Contributions and donations	250,300	250,300	224,559	(25,741)	191,495
Other miscellaneous	673,250	673,250	983,295	310,045	564,987
Total Miscellaneous	1,406,550	1,406,550	1,755,122	348,572	1,211,000
Services provided	2,522,847	2,522,847	2,644,534	121,687	1,182,966
Investment Earnings	75,000	75,000	339,087	264,087	80,399
Total Revenues	40,775,982	42,366,414	41,795,452	(555,962)	38,146,456
Other Financing Sources					
Proceeds from sale of capital assets	15,000	15,000	1,176	(13,824)	6,090
Transfers in	915,849	915,849	720,908	(194,941)	742,974
Total Other Financing Sources	930,849	930,849	722,084	(208,765)	749,064
Total Revenues and Other Financing Sources	\$ 41,706,831	\$ 43,297,263	\$ 42,517,536	\$ (764,727)	\$ 38,895,520

City of Durango, Colorado
General Fund
Schedule of Expenditures – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
General Government					
Legislative					
City council	\$ 253,120	\$ 253,120	\$ 267,457	\$ (14,337)	\$ 272,169
Total Legislative	253,120	253,120	267,457	(14,337)	272,169
Executive and Legal					
City manager	718,909	718,909	777,171	(58,262)	657,716
City attorney	387,569	387,569	359,126	28,443	355,150
Total Executive and Legal	1,106,478	1,106,478	1,136,297	(29,819)	1,012,866
Administrative					
Human resources	505,609	549,888	479,090	70,798	418,873
City clerk	636,112	636,112	608,886	27,226	614,959
Public information	329,174	329,174	269,618	59,556	275,391
Total Administrative	1,470,895	1,515,174	1,357,594	157,580	1,309,223
Finance					
Accounting	924,777	924,777	884,028	40,749	908,128
Finance	806,721	806,721	731,457	75,264	340,145
Information systems	2,068,974	2,068,974	2,109,142	(40,168)	1,867,599
Municipal court	317,982	317,982	287,898	30,084	248,293
Total Finance	4,118,454	4,118,454	4,012,525	105,929	3,364,165
Community Development					
Planning	1,571,841	1,583,697	1,413,667	170,030	1,559,527
Code enforcement	209,781	209,781	207,101	2,680	202,661
Total Community Development	1,781,622	1,793,478	1,620,768	172,710	1,762,188
Total General Government	8,730,569	8,786,704	8,394,641	392,063	7,720,611
Public Safety					
Police					
Administration	2,774,749	3,165,770	2,865,985	299,785	2,534,244
Operations	5,052,261	5,069,261	4,618,204	451,057	4,864,441
Total Police	7,827,010	8,235,031	7,484,189	750,842	7,398,685
911 Communications	1,741,456	1,741,456	1,634,471	106,985	1,638,953
Fire services	5,415,956	5,415,956	5,440,303	(24,347)	5,513,457
Total Public Safety	14,984,422	15,392,443	14,558,963	833,480	14,551,095

City of Durango, Colorado
General Fund
Schedule of Expenditures – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Public Works					
Engineering	911,167	911,167	872,239	38,928	797,710
Street maintenance	1,839,497	1,839,497	1,505,286	334,211	1,493,779
Snow and ice	708,767	708,767	707,265	1,502	598,568
Street cleaning	362,772	362,772	359,319	3,453	341,786
Total Public Works	3,822,203	3,822,203	3,444,109	378,094	3,231,843
Parks and Recreation					
Parks and recreation administration	468,656	468,656	460,771	7,885	451,645
Recreation administration	220,874	220,874	197,947	22,927	222,218
Recreation programs	1,065,882	1,065,882	879,562	186,320	839,800
Cemetery	441,077	441,077	312,157	128,920	301,669
Parks	2,962,836	2,962,836	2,662,533	300,303	2,478,247
Recreation center	2,556,709	2,556,709	2,398,574	158,135	2,319,971
Chapman Hill	496,035	496,035	432,256	63,779	404,629
Total Parks and Recreation	8,212,069	8,212,069	7,343,800	868,269	7,018,179
Library	2,365,079	2,422,075	2,383,009	39,066	2,275,892
Community Services	752,318	2,098,311	1,302,020	796,291	1,168,207
Non-Departmental					
Miscellaneous	1,053,280	1,146,626	993,002	153,624	1,141,267
Building and plant	872,737	935,517	931,546	3,971	732,058
Durango Welcome Center	99,894	99,894	99,718	176	96,079
Total Non-Departmental	2,025,911	2,182,037	2,024,266	157,771	1,969,404
Total Expenditures	\$ 40,892,571	\$ 42,915,842	\$ 39,450,808	\$ 3,465,034	\$ 37,935,231

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Recreation Complex/Trails	Revolving Loan	Durango Tourism	Streets Improvement Fund
Assets				
Equity in treasurer's cash and investments	\$ -	\$ -	\$ 56,258	\$ 1,868,004
Receivables				
Accounts	-	9,711	-	-
Sales taxes	446,775	-	-	446,775
Lodger's taxes	-	-	63,499	-
Total Assets	<u>446,775</u>	<u>9,711</u>	<u>119,757</u>	<u>2,314,779</u>
Liabilities and Fund Balances				
Liabilities:				
Interfund payable	877,264	-	-	-
Total Liabilities	<u>877,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	119,757	2,314,779
Assigned	-	9,711	-	-
Unassigned	(430,489)	-	-	-
Total Fund Balances	<u>(430,489)</u>	<u>9,711</u>	<u>119,757</u>	<u>2,314,779</u>
Total Liabilities and Fund Balances	<u>\$ 446,775</u>	<u>\$ 9,711</u>	<u>\$ 119,757</u>	<u>\$ 2,314,779</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

Parks & Recreation Development	Conservation Trust	Road Impact	Storm Drainage	Total Nonmajor Special Revenue Funds
\$ 83,521	\$ 218,936	\$ 67,840	\$ 8,094	\$ 2,302,653
-	-	-	-	9,711
-	-	-	-	893,550
-	-	-	-	63,499
<u>83,521</u>	<u>218,936</u>	<u>67,840</u>	<u>8,094</u>	<u>3,269,413</u>
-	-	-	-	877,264
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877,264</u>
-	218,936	-	-	218,936
83,521	-	67,840	8,094	2,593,991
-	-	-	-	9,711
-	-	-	-	(430,489)
<u>83,521</u>	<u>218,936</u>	<u>67,840</u>	<u>8,094</u>	<u>2,392,149</u>
<u>\$ 83,521</u>	<u>\$ 218,936</u>	<u>\$ 67,840</u>	<u>\$ 8,094</u>	<u>\$ 3,269,413</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Recreation Complex/Trails	Revolving Loan	Durango Tourism	Streets Improvement Fund
Revenues				
Sales taxes	\$ 4,096,528	\$ -	\$ -	\$ 2,214,066
Use taxes	252,361	-	-	100,713
Lodgers' taxes	-	-	1,098,958	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	4,348,889	-	1,098,958	2,314,779
Expenditures				
Current:				
General government	-	31,604	-	-
Economic development	-	-	862,114	-
Total Expenditures	-	31,604	862,114	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,348,889	(31,604)	236,844	2,314,779
Other Financing Sources (Uses)				
Transfers out	(4,963,568)	-	(350,000)	-
Total Other Financing Sources (Uses)	(4,963,568)	-	(350,000)	-
Net Change in Fund Balances	(614,679)	(31,604)	(113,156)	2,314,779
Fund Balances, Beginning of Year	184,190	41,315	232,913	-
Fund Balances, End of Year	\$ (430,489)	\$ 9,711	\$ 119,757	\$ 2,314,779

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

Parks & Recreation Development	Conservation Trust	Road Impact	Storm Drainage	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 6,310,594
-	-	-	-	353,074
-	-	-	-	1,098,958
-	212,145	-	-	212,145
10,400	-	-	-	10,400
1,521	2,773	-	169	4,463
21,606	-	289,832	290	311,728
<u>33,527</u>	<u>214,918</u>	<u>289,832</u>	<u>459</u>	<u>8,301,362</u>
-	-	-	-	31,604
-	-	-	-	862,114
-	-	-	-	893,718
<u>33,527</u>	<u>214,918</u>	<u>289,832</u>	<u>459</u>	<u>7,407,644</u>
-	-	(225,000)	-	(5,538,568)
-	-	(225,000)	-	(5,538,568)
33,527	214,918	64,832	459	1,869,076
<u>49,994</u>	<u>4,018</u>	<u>3,008</u>	<u>7,635</u>	<u>523,073</u>
<u>\$ 83,521</u>	<u>\$ 218,936</u>	<u>\$ 67,840</u>	<u>\$ 8,094</u>	<u>\$ 2,392,149</u>

City of Durango, Colorado
Recreation Complex and Trails Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ -	\$ 36,767
Sales and use taxes receivable	446,775	441,423
Total Assets	446,775	478,190
Liabilities and Fund Balances		
Liabilities:		
Interfund payable	877,264	294,000
Total Liabilities	877,264	294,000
Fund Balances		
Restricted	-	184,190
Unassigned	(430,489)	-
Total Fund Balances	(430,489)	184,190
Total Liabilities and Fund Balances	\$ 446,775	\$ 478,190

City of Durango, Colorado
Recreation Complex and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Sales taxes	\$ 4,013,180	\$ 4,013,180	\$ 4,096,528	\$ 83,348	\$ 3,969,148
Use taxes	340,340	340,340	252,361	(87,979)	268,641
Investment earnings	5,000	5,000	-	(5,000)	1,168
Total Revenues	<u>4,358,520</u>	<u>4,358,520</u>	<u>4,348,889</u>	<u>(9,631)</u>	<u>4,238,957</u>
Other Financing Sources (Uses)					
Transfers out	<u>(5,033,509)</u>	<u>(5,139,146)</u>	<u>(4,963,568)</u>	<u>175,578</u>	<u>(4,279,523)</u>
Total Other Financing Sources (Uses)	<u>(5,033,509)</u>	<u>(5,139,146)</u>	<u>(4,963,568)</u>	<u>175,578</u>	<u>(4,279,523)</u>
Net Change in Fund Balances	<u>\$ (674,989)</u>	<u>\$ (780,626)</u>	<u>(614,679)</u>	<u>\$ 165,947</u>	<u>(40,566)</u>
Fund Balances, Beginning of Year			<u>184,190</u>		<u>224,756</u>
Fund Balances, End of Year			<u>\$ (430,489)</u>		<u>\$ 184,190</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Loan Receivables	\$ 9,711	\$ 41,315
Total Assets	<u>9,711</u>	<u>41,315</u>
 Liabilities and Fund Balances		
 Fund Balances		
Assigned	9,711	41,315
Total Fund Balances	<u>9,711</u>	<u>41,315</u>
 Total Liabilities and Fund Balances	<u>\$ 9,711</u>	<u>\$ 41,315</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Miscellaneous	\$ -	\$ 1,269
Total Revenues	<u>-</u>	<u>1,269</u>
Expenditures		
General Government	31,604	8
Total Expenditures	<u>31,604</u>	<u>8</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,604)	1,261
Fund Balances, Beginning of Year	<u>41,315</u>	<u>40,054</u>
Fund Balances, End of Year	<u>\$ 9,711</u>	<u>\$ 41,315</u>

City of Durango, Colorado
Durango Tourism Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ 56,258	\$ 167,381
Lodger's taxes receivable	63,499	65,532
Total Assets	119,757	232,913
Liabilities and Fund Balances		
Fund Balances		
Committed	119,757	232,913
Total Fund Balances	119,757	232,913
Total Liabilities and Fund Balances	\$ 119,757	\$ 232,913

City of Durango, Colorado
Durango Tourism Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Lodgers taxes	\$ 1,106,646	\$ 1,106,646	\$ 1,098,958	\$ (7,688)	\$ 1,035,151
Total Revenues	<u>1,106,646</u>	<u>1,106,646</u>	<u>1,098,958</u>	<u>(7,688)</u>	<u>1,035,151</u>
Expenditures					
Economic development	740,584	740,584	862,114	(121,530)	724,246
Total Expenditures	<u>740,584</u>	<u>740,584</u>	<u>862,114</u>	<u>(121,530)</u>	<u>724,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>366,062</u>	<u>366,062</u>	<u>236,844</u>	<u>(129,218)</u>	<u>310,905</u>
Other Financing Sources (Uses)					
Transfers out	(475,000)	(475,000)	(350,000)	125,000	(350,000)
Total Other Financing Sources (Uses)	<u>(475,000)</u>	<u>(475,000)</u>	<u>(350,000)</u>	<u>125,000</u>	<u>(350,000)</u>
Net Change in Fund Balances	<u>\$ (108,938)</u>	<u>\$ (108,938)</u>	<u>(113,156)</u>	<u>\$ (4,218)</u>	<u>(39,095)</u>
Fund Balances, Beginning of Year			<u>232,913</u>		<u>272,008</u>
Fund Balances, End of Year			<u>\$ 119,757</u>		<u>\$ 232,913</u>

City of Durango, Colorado
Streets Improvement Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ 1,868,004	\$ -
Sales and use tax receivable	446,775	-
Total Assets	2,314,779	-
Liabilities and Fund Balances		
Fund Balances		
Committed	2,314,779	-
Total Fund Balances	2,314,779	-
Total Liabilities and Fund Balances	\$ 2,314,779	\$ -

City of Durango, Colorado
Streets Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Sales taxes	\$ -	\$ -	\$ 2,214,066	\$ 2,214,066	\$ -
Use taxes	-	-	100,713	100,713	-
Total Revenues	-	-	2,314,779	2,314,779	-
Net Change in Fund Balances	\$ -	\$ -	2,314,779	\$ 2,314,779	-
Fund Balances, Beginning of Year			-		-
Fund Balances, End of Year			\$ 2,314,779		\$ -

City of Durango, Colorado
Parks and Recreation Development Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ 83,521	\$ 49,332
Loan receivables	-	662
Total Assets	83,521	49,994
Liabilities and Fund Balances		
Fund Balances		
Committed	83,521	49,994
Total Fund Balances	83,521	49,994
Total Liabilities and Fund Balances	\$ 83,521	\$ 49,994

City of Durango, Colorado
Parks and Recreation Development Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Licenses and permits	\$ 10,600	\$ 10,600	\$ 10,400	\$ (200)	\$ 10,500
Investment earnings	18,000	18,000	1,521	(16,479)	684
Miscellaneous	-	-	21,606	21,606	31,166
Total Revenues	<u>28,600</u>	<u>28,600</u>	<u>33,527</u>	<u>4,927</u>	<u>42,350</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	(30,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Net Change in Fund Balances	<u>\$ 28,600</u>	<u>\$ 28,600</u>	<u>33,527</u>	<u>\$ 4,927</u>	<u>12,350</u>
Fund Balances, Beginning of Year			<u>49,994</u>		<u>37,644</u>
Fund Balances, End of Year			<u>\$ 83,521</u>		<u>\$ 49,994</u>

City of Durango, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ 218,936	\$ 4,018
Total Assets	218,936	4,018
Liabilities and Fund Balances		
Fund Balances		
Restricted	218,936	4,018
Total Fund Balances	218,936	4,018
Total Liabilities and Fund Balances	\$ 218,936	\$ 4,018

City of Durango, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Intergovernmental	\$ 185,000	\$ 185,000	\$ 212,145	\$ 27,145	\$ 188,402
Investment earnings	4,000	4,000	2,773	(1,227)	2,879
Total Revenues	<u>189,000</u>	<u>189,000</u>	<u>214,918</u>	<u>25,918</u>	<u>191,281</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	(390,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(390,000)</u>
Net Change in Fund Balances	<u>\$ 189,000</u>	<u>\$ 189,000</u>	214,918	25,918	(198,719)
Fund Balances, Beginning of Year			<u>4,018</u>		<u>202,737</u>
Fund Balances, End of Year			<u>\$ 218,936</u>		<u>\$ 4,018</u>

City of Durango, Colorado
Road Impact Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in treasurer's cash and investments	\$ 67,840	\$ 3,008
Total Assets	<u>67,840</u>	<u>3,008</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	67,840	3,008
Total Fund Balances	<u>67,840</u>	<u>3,008</u>
Total Liabilities and Fund Balances	<u>\$ 67,840</u>	<u>\$ 3,008</u>

City of Durango, Colorado
Road Impact Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Investment earnings	\$ 500	\$ 500	\$ -	\$ (500)	\$ 161
Miscellaneous	450,000	450,000	289,832	(160,168)	308,809
Total Revenues	450,500	450,500	289,832	(160,668)	308,970
Other Financing Sources (Uses)					
Transfers out	(225,000)	(225,000)	(225,000)	-	(370,000)
Total Other Financing Sources (Uses)	(225,000)	(225,000)	(225,000)	-	(370,000)
Net Change in Fund Balances	\$ 225,500	\$ 225,500	64,832	\$ (160,668)	(61,030)
Fund Balances, Beginning of Year			3,008		64,038
Fund Balances, End of Year			\$ 67,840		\$ 3,008

City of Durango, Colorado
Storm Drainage Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ 8,094	\$ 7,635
Total Assets	8,094	7,635
Liabilities and Fund Balances		
Fund Balances		
Committed	8,094	7,635
Total Fund Balances	8,094	7,635
Total Liabilities and Fund Balances	\$ 8,094	\$ 7,635

City of Durango, Colorado
Storm Drainage Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Miscellaneous	\$ 1,000	\$ 1,000	\$ 290	\$ (710)	\$ -
Investment earnings	100	100	169	69	129
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>459</u>	<u>(641)</u>	<u>129</u>
Net Change in Fund Balances	<u>\$ 1,100</u>	<u>\$ 1,100</u>	459	<u>\$ (641)</u>	129
Fund Balances, Beginning of Year			7,635		7,506
Fund Balances, End of Year			<u>\$ 8,094</u>		<u>\$ 7,635</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2019

	Sales Tax Bonds Debt Service Fund	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Assets			
Equity in treasurers cash and investments	\$ 191	\$ 418,533	\$ 418,724
Fund Balances			
Restricted	\$ 191	\$ 418,533	\$ 418,724

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019

	Sales Tax Bonds Debt Service Fund	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Expenditures			
Debt Service:			
Principal	\$ -	\$ 1,995,000	\$ 1,995,000
Interest and other charges	-	431,417	431,417
Total Expenditures	-	2,426,417	2,426,417
Other Financing Sources (Uses)			
Transfers in	-	2,427,004	2,427,004
Total Other Financing Sources (Uses)	-	2,427,004	2,427,004
Net Change in Fund Balances	-	587	587
Fund Balances, Beginning of Year	191	417,946	418,137
Fund Balances, End of Year	\$ 191	\$ 418,533	\$ 418,724

City of Durango, Colorado
Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in treasurers cash and investments	\$ 191	\$ 191
Fund Balances		
Restricted	\$ 191	\$ 191

City of Durango, Colorado
Sales Tax Bonds Debt Service Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Debt Service:		
Principal	\$ -	\$ 1,135,000
Interest and other charges	-	48,238
Total Expenditures	<u>-</u>	<u>1,183,238</u>
 Other Financing Sources (Uses)		
Transfers in	-	1,084,633
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,084,633</u>
 Net Change in Fund Balances	-	(98,605)
 Fund Balances, Beginning of Year	<u>191</u>	<u>98,796</u>
 Fund Balances, End of Year	<u><u>\$ 191</u></u>	<u><u>\$ 191</u></u>

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in treasurers cash and investments	\$ 418,533	\$ 417,946
Fund Balances		
Restricted	\$ 418,533	\$ 417,946

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Debt Service:		
Principal	\$ 1,995,000	\$ 1,930,000
Interest and other charges	431,417	504,995
Total Expenditures	<u>2,426,417</u>	<u>2,434,995</u>
 Other Financing Sources (Uses)		
Transfers in	<u>2,427,004</u>	<u>2,434,281</u>
Total Other Financing Sources (Uses)	<u>2,427,004</u>	<u>2,434,281</u>
 Net Change in Fund Balances	587	(714)
 Fund Balances, Beginning of Year	<u>417,946</u>	<u>418,660</u>
 Fund Balances, End of Year	<u><u>\$ 418,533</u></u>	<u><u>\$ 417,946</u></u>

City of Durango, Colorado
Capital Projects Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ 7,046,300	\$ 7,779,574
Intergovernmental receivables	738,695	547,523
Total Assets	7,784,995	8,327,097
Liabilities and Fund Balances		
Liabilities		
Accounts payable	900,438	538,232
Total Liabilities	900,438	538,232
Fund Balances		
Committed	6,884,557	7,788,865
Total Fund Balances	6,884,557	7,788,865
Total Liabilities and Fund Balances	\$ 7,784,995	\$ 8,327,097

City of Durango, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Intergovernmental	\$ 279,400	\$ 279,400	\$ 748,695	\$ 469,295	\$ 598,062
Investment earnings	150,000	150,000	171,051	21,051	154,130
Miscellaneous	-	-	69,088	69,088	14,493
Total Revenues	<u>429,400</u>	<u>429,400</u>	<u>988,834</u>	<u>559,434</u>	<u>766,685</u>
Expenditures					
General government	-	-	93,607	(93,607)	275,192
Public works	-	-	190,195	(190,195)	1,161,267
Parks and recreation	-	-	630,881	(630,881)	-
Capital outlay	6,678,800	6,678,800	5,627,859	1,050,941	4,167,986
Total Expenditures	<u>6,678,800</u>	<u>6,678,800</u>	<u>6,542,542</u>	<u>136,258</u>	<u>5,604,445</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,249,400)</u>	<u>(6,249,400)</u>	<u>(5,553,708)</u>	<u>695,692</u>	<u>(4,837,760)</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,649,400</u>	<u>4,649,400</u>	<u>4,649,400</u>	<u>-</u>	<u>3,463,067</u>
Net Change in Fund Balances	<u>\$ (1,600,000)</u>	<u>\$ (1,600,000)</u>	<u>(904,308)</u>	<u>\$ 695,692</u>	<u>(1,374,693)</u>
Fund Balances, Beginning of Year			<u>7,788,865</u>		<u>9,163,558</u>
Fund Balances, End of Year			<u>\$ 6,884,557</u>		<u>\$ 7,788,865</u>

City of Durango, Colorado
Capital Improvements Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ -	\$ 5,640
Sales and use taxes receivable	221,728	220,579
Total Assets	221,728	226,219
Liabilities and Fund Balances		
Liabilities		
Interfund payable	221,000	221,000
Total Liabilities	221,000	221,000
Fund Balances		
Restricted	728	5,219
Total Fund Balances	728	5,219
Total Liabilities and Fund Balances	\$ 221,728	\$ 226,219

City of Durango, Colorado
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Sales taxes	\$ 1,954,835	\$ 1,954,835	\$ 2,046,925	\$ 92,090	\$ 1,983,384
Use taxes	180,000	180,000	126,098	(53,902)	134,239
Investment earnings	12,000	12,000	24,490	12,490	20,430
Total Revenues	<u>2,146,835</u>	<u>2,146,835</u>	<u>2,197,513</u>	<u>50,678</u>	<u>2,138,053</u>
Other Financing Sources (Uses)					
Transfers in	225,000	225,000	225,000	-	370,000
Transfers out	(2,426,417)	(2,426,417)	(2,427,004)	(587)	(2,434,281)
Total Other Financing Sources (Uses)	<u>(2,201,417)</u>	<u>(2,201,417)</u>	<u>(2,202,004)</u>	<u>(587)</u>	<u>(2,064,281)</u>
Net Change in Fund Balances	<u>\$ (54,582)</u>	<u>\$ (54,582)</u>	<u>(4,491)</u>	<u>\$ 50,091</u>	<u>73,772</u>
Fund Balances, Beginning of Year			5,219		(68,553)
Fund Balances, End of Year			<u>\$ 728</u>		<u>\$ 5,219</u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Equity in treasurer's cash and investments	\$ 2,210,009	2,070,700
Sales and use taxes receivables	223,231	220,579
Total Assets	2,433,240	2,291,279
Liabilities and Fund Balances		
Liabilities		
Accounts payable	171,828	93,797
Total Liabilities	171,828	93,797
Fund Balances		
Restricted	2,261,412	2,197,482
Total Fund Balances	2,261,412	2,197,482
Total Liabilities and Fund Balances	\$ 2,433,240	\$ 2,291,279

City of Durango, Colorado
Parks, Open Space and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Sales taxes	\$ 1,954,835	\$ 1,954,835	\$ 2,046,925	\$ 92,090	\$ 1,983,384
Use taxes	180,000	180,000	126,099	(53,901)	134,239
Intergovernmental	-	-	-	-	296,265
Investment earnings	15,000	15,000	49,786	34,786	16,111
Total Revenues	<u>2,149,835</u>	<u>2,149,835</u>	<u>2,222,810</u>	<u>72,975</u>	<u>2,429,999</u>
Expenditures					
Parks and Recreation	-	-	171,975	(171,975)	-
Capital outlay	1,750,000	1,750,000	1,580,165	169,835	420,241
Total Expenditures	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,752,140</u>	<u>(2,140)</u>	<u>420,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>399,835</u>	<u>399,835</u>	<u>470,670</u>	<u>70,835</u>	<u>2,009,758</u>
Transfers in	-	-	-	-	-
Transfers out	(406,740)	(406,740)	(406,740)	-	(491,151)
Total Other Financing Sources (Uses)	<u>(406,740)</u>	<u>(406,740)</u>	<u>(406,740)</u>	<u>-</u>	<u>(491,151)</u>
Net Change in Fund Balances	<u>\$ (6,905)</u>	<u>\$ (6,905)</u>	<u>63,930</u>	<u>\$ 70,835</u>	<u>1,518,607</u>
Fund Balances, Beginning of Year			2,197,482		678,875
Fund Balances, End of Year			<u>\$ 2,261,412</u>		<u>\$ 2,197,482</u>

ENTERPRISE FUNDS

Water Utility Fund – to account for revenues and expenses associated with providing water services to the City of Durango residents and some county residents.

Sewer Utility Fund – to account for revenues and expenses associated with providing waste water treatment services to residents of the City of Durango and some county residents.

Sustainable Services Fund – to account for revenues and expenses associated with refuse collection and recycling operations.

Transportation Services Fund – to account for revenues and expenses associated with the operations of the City's parking programs, including enforcement and facilities maintenance and to account for revenues and expenses associated with providing mass transportation within the City.

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018*</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 17,160,701	\$ 17,567,096
Receivables		
Accounts	810,975	662,370
Intergovernmental	5,059	4,815
Inventory	131,903	124,509
Total Current Assets	<u>18,108,638</u>	<u>18,358,790</u>
Non-Current Assets:		
Note receivable	122,697	137,539
Capital Assets:		
Land and water rights	7,048,853	6,575,919
Construction in progress	2,464,035	3,338,775
Depreciable capital assets, net	34,933,944	32,239,636
Total Non-Current Assets	<u>44,569,529</u>	<u>42,291,869</u>
Total Assets	<u>62,678,167</u>	<u>60,650,659</u>
Liabilities		
Current Liabilities:		
Accounts payable	479,715	887,908
Accrued wages	47,743	39,700
Compensated absences - due in one year	54,431	36,921
Loan payable	190,433	186,773
Total Current Liabilities	<u>772,322</u>	<u>1,151,302</u>
Long-Term Liabilities		
Compensated absences, net of current portion	54,431	36,921
Loan payable, net of current portion	2,720,166	2,910,599
Total Long-Term Liabilities	<u>2,774,597</u>	<u>2,947,520</u>
Total Liabilities	<u>3,546,919</u>	<u>4,098,822</u>
Net Position		
Net investment in capital assets	41,473,859	39,056,958
Unrestricted	17,657,389	17,494,879
Total Net Position	<u>\$ 59,131,248</u>	<u>\$ 56,551,837</u>

*Prior year balances have not been restated due to prior period adjustment. See Note 4-E for additional information.

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2019 and 2018

	2019	2018*
Operating Revenues		
Charges for sales and services	\$ 6,766,656	\$ 6,842,851
Miscellaneous	146,479	194,225
Total Operating Revenues	6,913,135	7,037,076
Operating Expenses		
Administration	307,373	382,817
Source of supply	85,230	7,402
Pumping	131,736	252,009
Transmission and distribution	975,046	1,026,468
Treatment	982,187	926,122
Meter reading and repairs	96,640	166,959
Non-departmental	682,901	299,990
Payment for services	711,663	353,400
Depreciation	1,302,829	1,300,206
Total Operating Expenses	5,275,605	4,715,373
Operating Income (Loss)	1,637,530	2,321,703
Non-Operating Revenues (Expenses)		
Gain (Loss) on sale of capital assets	-	601
Interest expense	(59,493)	-
Intergovernmental grants	26,447	4,815
Investment earnings	368,850	277,341
Total Non-Operating Revenues (Expenses)	335,804	282,757
Income (Loss) Before Capital Contributions and Transfers	1,973,334	2,604,460
Capital contributions	1,767,072	1,864,192
Transfers out	-	(27,079)
Change in Net Position	3,740,406	4,441,573
Net Position, Beginning of Year	55,390,842	52,110,264
Net Position, End of Year	\$ 59,131,248	\$ 56,551,837

*Prior year balances have not been restated due to prior period adjustment. See Note 4-E for additional information.

City of Durango, Colorado
Water Utility Fund
Schedule of Revenues and Expenditures –
Budget and Actual – (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 7,047,500	\$ 7,047,500	\$ 6,766,656	\$ (280,844)
Gain on sale of fixed assets	5,000	5,000	-	(5,000)
Plant investment fees	650,000	650,000	636,875	(13,125)
Miscellaneous	95,000	95,000	146,479	51,479
Intergovernmental grants	-	-	26,447	26,447
Investment earnings	180,000	180,000	368,850	188,850
Total Revenues	<u>7,977,500</u>	<u>7,977,500</u>	<u>7,945,307</u>	<u>(32,193)</u>
Expenditures				
Administration	296,561	296,561	307,373	(10,812)
Source of supply	322,300	322,300	85,230	237,070
Pumping	121,700	121,700	131,736	(10,036)
Transmission and distribution	1,139,967	1,139,967	975,046	164,921
Treatment	1,085,751	1,085,751	982,187	103,564
Meter reading and repairs	148,254	148,254	96,640	51,614
Non-departmental	6,890,148	6,965,148	4,309,030	2,656,118
Payment for services	711,663	711,663	711,663	-
Total Expenditures	<u>10,716,344</u>	<u>10,791,344</u>	<u>7,598,905</u>	<u>3,192,439</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,738,844)</u>	<u>(2,813,844)</u>	346,402	<u>3,160,246</u>
Reconciliation to GAAP Net Income:				
Add capital contributions			1,130,197	
Add capital expenses capitalized			3,626,129	
Subtract interest expense			(59,493)	
Subtract depreciation expense			<u>(1,302,829)</u>	
Net Income			<u>\$ 3,740,406</u>	

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 374,472	\$ 4,286,798
Cash held with fiscal agent	5,628,187	5,628,187
Receivables		
Accounts	1,106,299	1,040,399
Intergovernmental	-	4,748,568
Inventory	3,616	1,885
Total Current Assets	7,112,574	15,705,837
Non-Current Assets:		
Note receivable	4,070,526	13,929,786
Capital Assets:		
Land	321,309	321,309
Construction in progress	1,350,004	51,981,880
Depreciable capital assets, net	79,702,463	15,412,095
Total Non-Current Assets	85,444,302	81,645,070
Total Assets	92,556,876	97,350,907
Liabilities		
Current Liabilities:		
Accounts payable	1,327,996	6,784,574
Accrued wages	58,802	46,059
Compensated absences - due in one year	29,217	33,622
Loan payable	2,536,479	2,489,164
Interest payable	383,391	402,870
Total Current Liabilities	4,335,885	9,756,289
Long-Term Liabilities		
Compensated absences, net of current portion	29,217	33,622
Loan payable, net of current portion	52,390,075	54,926,556
Total Long-Term Liabilities	52,419,292	54,960,178
Total Liabilities	56,755,177	64,716,467
Net Position		
Net investment in capital assets	30,337,520	27,957,134
Unrestricted	5,464,179	4,677,306
Total Net Position	\$ 35,801,699	\$ 32,634,440

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for sales and services	\$ 7,876,675	\$ 7,821,215
Total Operating Revenues	<u>7,876,675</u>	<u>7,821,215</u>
Operating Expenses		
Administration	414,593	501,213
Treatment	1,354,707	1,478,704
Collections	937,437	919,395
Non-departmental	189,860	159,763
Payment for services	799,168	302,725
Depreciation	818,329	809,562
Total Operating Expenses	<u>4,514,094</u>	<u>4,171,362</u>
Operating Income	3,362,581	3,649,853
Non-Operating Revenues (Expenses)		
Gain (Loss) on sale of capital assets	-	10
Interest expense	(888,535)	(935,867)
Intergovernmental grants	409,281	904,576
Investment earnings	83,651	75,120
Total Non-Operating Revenues (Expenses)	<u>(395,603)</u>	<u>43,839</u>
Income (Loss) Before Capital Contributions and Transfers	2,966,978	3,693,692
Capital contributions	200,281	226,791
Change in Net Position	3,167,259	3,920,483
Net Position, Beginning of Year	32,634,440	28,713,957
Net Position, End of Year	<u>\$ 35,801,699</u>	<u>\$ 32,634,440</u>

City of Durango, Colorado
Sewer Utility Fund
Schedule of Revenues and Expenditures –
Budget and Actual – (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 8,215,435	\$ 8,215,435	\$ 7,876,675	\$ (338,760)
Plant investment fees	100,000	100,000	102,032	2,032
Miscellaneous	5,000	5,000	-	(5,000)
Interest expense	-	-	(869,056)	(869,056)
Intergovernmental grants	-	-	409,281	409,281
Investment earnings	75,000	75,000	83,651	8,651
Total Revenues	8,395,435	8,395,435	7,602,583	(792,852)
Expenditures				
Administration	402,645	402,645	414,593	(11,948)
Treatment	1,761,721	1,761,721	1,354,707	407,014
Collections	1,163,022	1,163,022	937,437	225,585
Non-departmental	8,046,344	8,046,344	14,568,432	(6,522,088)
Payment for services	799,168	799,168	799,168	-
Total Expenditures	12,172,900	12,172,900	18,074,337	(5,901,437)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,777,465)	(3,777,465)	(10,471,754)	(6,694,289)
Reconciliation to GAAP Net Income:				
Add capital contributions			98,249	
Add capital expenses capitalized			14,378,572	
Subtract interest expense on loan			(19,479)	
Subtract depreciation expense			(818,329)	
Net Income			\$ 3,167,259	

City of Durango, Colorado
Sustainable Services Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 1,109,261	\$ 772,191
Receivables		
Accounts	374,424	325,876
Total Current Assets	<u>1,483,685</u>	<u>1,098,067</u>
Non-Current Assets:		
Prepaid items	-	4,000
Capital Assets:		
Land	89,622	89,622
Depreciable capital assets, net	2,147,113	2,253,379
Total Non-Current Assets	<u>2,236,735</u>	<u>2,347,001</u>
Total Assets	<u>3,720,420</u>	<u>3,445,068</u>
Liabilities		
Current Liabilities:		
Accounts payable	87,125	42,303
Accrued wages	28,603	22,557
Compensated absences - due in one year	27,731	21,787
Total Current Liabilities	<u>143,459</u>	<u>86,647</u>
Long-Term Liabilities		
Compensated absences, net of current portion	27,731	21,787
Total Long-Term Liabilities	<u>27,731</u>	<u>21,787</u>
Total Liabilities	<u>171,190</u>	<u>108,434</u>
Net Position		
Net investment in capital assets	2,236,735	2,343,001
Unrestricted	1,312,495	993,633
Total Net Position	<u>\$ 3,549,230</u>	<u>\$ 3,336,634</u>

City of Durango, Colorado
Sustainable Services Fund
Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for sales and services	\$ 2,916,117	\$ 2,714,050
Miscellaneous	115,135	106,998
Total Operating Revenues	<u>3,031,252</u>	<u>2,821,048</u>
Operating Expenses		
Collections	972,634	1,235,301
Recycling	661,257	698,731
Recycling center	358,375	346,227
Sustainability	136,680	138,584
Non-departmental	273,783	72,214
Payment for services	305,813	199,105
Depreciation	148,066	148,066
Total Operating Expenses	<u>2,856,608</u>	<u>2,838,228</u>
Operating Income (Loss)	174,644	(17,180)
Non-Operating Revenues (Expenses)		
Intergovernmental grants	19,294	54,290
Investment earnings	18,658	9,194
Total Non-Operating Revenues (Expenses)	<u>37,952</u>	<u>63,484</u>
Change in Net Position	212,596	46,304
Net Position, Beginning of Year	3,336,634	3,290,330
Net Position, End of Year	<u>\$ 3,549,230</u>	<u>\$ 3,336,634</u>

City of Durango, Colorado
Sustainable Services Fund
Schedule of Revenues and Expenditures –
Budget and Actual – (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 2,659,500	\$ 2,682,878	\$ 2,916,117	\$ 233,239
Miscellaneous	143,500	143,500	115,135	(28,365)
Intergovernmental grants	-	-	19,294	19,294
Investment earnings	8,000	8,000	18,658	10,658
Total Revenues	<u>2,811,000</u>	<u>2,834,378</u>	<u>3,069,204</u>	<u>234,826</u>
Expenditures				
Collections	1,029,904	1,029,904	972,634	57,270
Recycling	577,856	577,856	661,257	(83,401)
Recycling center	440,822	440,822	358,375	82,447
Sustainability	157,492	180,870	136,680	44,190
Non-departmental	338,779	338,779	315,583	23,196
Payment for services	305,813	305,813	305,813	-
Total Expenditures	<u>2,850,666</u>	<u>2,874,044</u>	<u>2,750,342</u>	<u>123,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(39,666)</u>	<u>(39,666)</u>	318,862	<u>358,528</u>
Reconciliation to GAAP Net Income:				
Add capital expenses capitalized			41,800	
Subtract depreciation expense			(148,066)	
Net Income			<u>\$ 212,596</u>	

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 2,523,414	\$ 2,258,108
Receivables		
Accounts	107,028	6,573
Intergovernmental	220,687	321,072
Total Current Assets	2,851,129	2,585,753
Non-Current Assets:		
Capital Assets:		
Land	3,886,835	3,886,835
Depreciable capital assets, net	5,617,697	6,002,222
Total Non-Current Assets	9,504,532	9,889,057
Total Assets	12,355,661	12,474,810
Liabilities		
Current Liabilities:		
Accounts payable	86,513	127,922
Accrued wages	61,005	46,577
Compensated absences - due in one year	42,118	34,669
Total Current Liabilities	189,636	209,168
Long-Term Liabilities		
Compensated absences, net of current portion	42,118	34,668
Total Long-Term Liabilities	42,118	34,668
Total Liabilities	231,754	243,836
Net Position		
Net investment in capital assets	9,504,532	9,889,057
Unrestricted	2,619,375	2,341,917
Total Net Position	\$ 12,123,907	\$ 12,230,974

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for sales and services	\$ 2,275,070	\$ 2,184,433
Miscellaneous	13,348	15,039
Total Operating Revenues	<u>2,288,418</u>	<u>2,199,472</u>
Operating Expenses		
Administration	127,879	101,928
Parking operations	646,280	679,848
Loop system	1,659,661	1,894,125
Multi-model	48,608	109,421
Non-departmental	276,308	26,479
Payment for services	463,029	141,150
Depreciation	384,526	406,358
Total Operating Expenses	<u>3,606,291</u>	<u>3,359,309</u>
Operating Income (Loss)	(1,317,873)	(1,159,837)
Non-Operating Revenues (Expenses)		
Gain (Loss) on sale of capital assets	-	20,575
Intergovernmental grants	811,056	1,023,481
Investment earnings	49,750	32,138
Total Non-Operating Revenues (Expenses)	<u>860,806</u>	<u>1,076,194</u>
Income (Loss) Before Capital Contributions and Transfers	(457,067)	(83,643)
Transfers in	350,000	250,000
Change in Net Position	(107,067)	166,357
Net Position, Beginning of Year	12,230,974	12,064,617
Net Position, End of Year	<u>\$ 12,123,907</u>	<u>\$ 12,230,974</u>

City of Durango, Colorado
Transportation Services Fund
Schedule of Revenues and Expenditures –
Budget and Actual – (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 1,976,000	\$ 1,976,000	\$ 2,275,070	\$ 299,070
Miscellaneous	165,000	165,000	13,348	(151,652)
Intergovernmental grants	1,193,250	1,409,518	811,056	(598,462)
Investment earnings	24,000	24,000	49,750	25,750
Transfers in	350,000	350,000	350,000	-
Total Revenues	<u>3,708,250</u>	<u>3,924,518</u>	<u>3,499,224</u>	<u>(425,294)</u>
Expenditures				
Administration	169,095	169,095	127,879	41,216
Parking operations	779,353	779,353	646,280	133,073
Loop system	2,026,680	2,242,948	1,659,661	583,287
Multi-model	118,951	118,951	48,608	70,343
Non-departmental	344,536	344,536	276,308	68,228
Payment for services	463,029	463,029	463,029	-
Total Expenditures	<u>3,901,644</u>	<u>4,117,912</u>	<u>3,221,765</u>	<u>896,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(193,394)</u>	<u>(193,394)</u>	277,459	<u>470,853</u>
Reconciliation to GAAP Net Income:				
Subtract depreciation expense			<u>(384,526)</u>	
Net Income (Loss)			<u>\$ (107,067)</u>	

INTERNAL SERVICE FUNDS

General Services Fund – to account for the costs of providing support services used by other City departments. These services include vehicle and equipment maintenance, central purchasing, warehousing and building and plant supervision.

Capital Equipment Reserve Fund – to accumulate funds provided by other City departments through rental fees for the orderly replacement of City vehicles, radios and equipment.

Self-Insurance Fund – to accumulate funds to pay medical claims for employees and covered dependents through insurance premiums billed to other City departments.

Risk Manager Fund – to account for the costs of property and casualty insurance as well as the costs associated with worker's compensation insurance.

City of Durango, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2019

	General Services Fund	Capital Equipment Reserve Fund	Self Insurance Fund	Risk Manager Fund	Total
Assets					
Current Assets:					
Equity in treasurer's cash and investments	\$ 263,519	\$ 4,385,285	\$ 396,113	\$ 351,259	\$ 5,396,176
Receivables					
Accounts	-	-	280,721	31,144	311,865
Inventory	92,289	205,184	-	-	297,473
Total Current Assets	355,808	4,590,469	676,834	382,403	6,005,514
Non-Current Assets:					
Capital Assets:					
Land	67,889	-	-	-	67,889
Construction in progress	-	603,775	-	-	603,775
Depreciable capital assets, net	1,160,122	4,588,685	-	-	5,748,807
Total Non-Current Assets	1,228,011	5,192,460	-	-	6,420,471
Total Assets	1,583,819	9,782,929	676,834	382,403	12,425,985
Liabilities					
Current Liabilities:					
Accounts payable	46,884	48,739	379,906	19,795	495,324
Accrued wages	4,645	21,533	-	3,293	29,471
Compensated absences - due in one year	7,206	33,704	-	3,829	44,739
Total Current Liabilities	58,735	103,976	379,906	26,917	569,534
Long-Term Liabilities					
Compensated absences, net of current portion	7,206	33,704	-	3,829	44,739
Total Long-Term Liabilities	7,206	33,704	-	3,829	44,739
Total Liabilities	65,941	137,680	379,906	30,746	614,273
Net Position					
Net investment in capital assets	1,228,011	5,192,460	-	-	6,420,471
Unrestricted	289,867	4,452,789	296,928	351,657	5,391,241
Total Net Position	\$ 1,517,878	\$ 9,645,249	\$ 296,928	\$ 351,657	\$ 11,811,712

City of Durango, Colorado
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2019

	General Services Fund	Capital Equipment Reserve Fund	Self Insurance Fund	Risk Manager Fund	Total
Operating Revenues					
Charges for sales and services	\$ 11,944	\$ 3,053,426	\$ 6,330,536	\$ -	\$ 9,395,906
Services provided	75,000	-	-	1,188,937	1,263,937
Miscellaneous	-	232	67,021	-	67,253
Total Operating Revenues	<u>86,944</u>	<u>3,053,658</u>	<u>6,397,557</u>	<u>1,188,937</u>	<u>10,727,096</u>
Operating Expenses					
Administration	146,582	-	19,794	124,839	291,215
Building maintenance	85,377	-	-	-	85,377
Equipment maintenance	-	1,448,833	-	-	1,448,833
Insurance Claims and premiums	-	-	-	1,019,707	1,019,707
Medical claims and premiums	-	-	5,561,072	-	5,561,072
Depreciation	38,808	1,350,981	-	-	1,389,789
Total Operating Expenses	<u>270,767</u>	<u>2,799,814</u>	<u>5,580,866</u>	<u>1,144,546</u>	<u>9,795,993</u>
Operating Income (Loss)	(183,823)	253,844	816,691	44,391	931,103
Non-Operating Revenues (Expenses)					
Gain (Loss) on sale of capital assets	-	43,783	-	-	43,783
Investment earnings	6,534	102,470	10,726	7,548	127,278
Total Non-Operating Revenues (Expenses)	<u>6,534</u>	<u>146,253</u>	<u>10,726</u>	<u>7,548</u>	<u>171,061</u>
Income (Loss) Before Capital Contributions and Transfers	(177,289)	400,097	827,417	51,939	1,102,164
Capital contributions	-	25,533	-	-	25,533
Change in Net Position	(177,289)	425,630	827,417	51,939	1,127,697
Net Position, Beginning of Year	1,695,167	9,219,619	(530,489)	299,718	10,684,015
Net Position, End of Year	<u>\$ 1,517,878</u>	<u>\$ 9,645,249</u>	<u>\$ 296,928</u>	<u>\$ 351,657</u>	<u>\$ 11,811,712</u>

City of Durango, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	General Services Fund	Capital Equipment Reserve Fund	Self Insurance Fund	Risk Manager Fund	Total
Cash Flows from Operating Activities					
Cash received from customers	\$ 87,899	\$ 3,053,658	\$ 6,246,332	\$ 1,157,793	\$ 10,545,682
Cash payments to employees for services	(141,070)	2,575	-	(123,983)	(262,478)
Cash payments for goods and services	(66,518)	(1,438,649)	(19,794)	11,310	(1,513,651)
Cash payments for claims and premiums	-	-	(5,547,789)	(1,019,707)	(6,567,496)
Net Cash Provided (Used) by Operating Activities	<u>(119,689)</u>	<u>1,617,584</u>	<u>678,749</u>	<u>25,413</u>	<u>2,202,057</u>
Cash Flows from Noncapital Financing Activities					
Interfund payable	-	-	(306,000)	-	(306,000)
Net Cash Used by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(306,000)</u>	<u>-</u>	<u>(306,000)</u>
Cash Flows from Capital and Related Financing Activities					
Cash sales of capital assets	-	93,432	-	-	93,432
Payments for capital acquisitions	-	(1,414,267)	-	-	(1,414,267)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(1,320,835)</u>	<u>-</u>	<u>-</u>	<u>(1,320,835)</u>
Cash Flows from Investing Activities					
Investment earnings	6,534	102,470	10,726	7,548	127,278
Net Cash Provided by Non-Operating Activities	<u>6,534</u>	<u>102,470</u>	<u>10,726</u>	<u>7,548</u>	<u>127,278</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(113,155)	399,219	383,475	32,961	702,500
Cash and Cash Equivalents, Beginning of Year	<u>376,674</u>	<u>3,986,066</u>	<u>12,638</u>	<u>318,298</u>	<u>4,693,676</u>
Cash and Cash Equivalents, End of Year	<u>\$ 263,519</u>	<u>\$ 4,385,285</u>	<u>\$ 396,113</u>	<u>\$ 351,259</u>	<u>\$ 5,396,176</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	(183,823)	253,844	816,691	44,391	931,103
Adjustments:					
Depreciation	38,808	1,350,981	-	-	1,389,789
(Increase) Decrease in Assets:					
Accounts Receivable	955	-	(151,225)	(31,144)	(181,414)
Prepaid items	-	-	-	18,480	18,480
Inventory	(12,343)	19,650	-	-	7,307
Increase (Decrease) in Liabilities:					
Accounts payable	31,202	(9,466)	13,283	(7,170)	27,849
Accrued wages and compensated absences	5,512	2,575	-	856	8,943
Net Cash Provided by (Used in) Operating Activities	<u>\$ (119,689)</u>	<u>\$ 1,617,584</u>	<u>\$ 678,749</u>	<u>\$ 25,413</u>	<u>\$ 2,202,057</u>
Non-cash Investing, Capital and Financing Activities:					
Contributed Capital Assets	<u>\$ -</u>	<u>\$ 25,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,533</u>

City of Durango, Colorado
General Services Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 263,519	\$ 376,674
Receivables		
Accounts	-	955
Inventory	92,289	79,945
Total Current Assets	<u>355,808</u>	<u>457,574</u>
Non-Current Assets:		
Capital Assets:		
Land	67,889	67,889
Depreciable capital assets, net	1,160,122	1,198,931
Total Non-Current Assets	<u>1,228,011</u>	<u>1,266,820</u>
Total Assets	<u>1,583,819</u>	<u>1,724,394</u>
Liabilities		
Current Liabilities:		
Accounts payable	46,884	15,682
Accrued wages	4,645	3,696
Compensated absences - due in one year	7,206	4,925
Total Current Liabilities	<u>58,735</u>	<u>24,303</u>
Long-Term Liabilities		
Compensated absences, net of current portion	7,206	4,924
Total Long-Term Liabilities	<u>7,206</u>	<u>4,924</u>
Total Liabilities	<u>65,941</u>	<u>29,227</u>
Net Position		
Net investment in capital assets	1,228,011	1,266,820
Unrestricted	289,867	428,347
Total Net Position	<u>\$ 1,517,878</u>	<u>\$ 1,695,167</u>

City of Durango, Colorado
General Services Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for sales and services	\$ 11,944	\$ 8,065
Services provided	75,000	75,000
Total Operating Revenues	<u>86,944</u>	<u>83,065</u>
Operating Expenses		
Administration	146,582	110,937
Building maintenance	85,377	75,829
Depreciation	38,808	36,823
Total Operating Expenses	<u>270,767</u>	<u>223,589</u>
Operating Income (Loss)	(183,823)	(140,524)
Non-Operating Revenues (Expenses)		
Investment earnings	6,534	7,240
Total Non-Operating Revenues (Expenses)	<u>6,534</u>	<u>7,240</u>
Change in Net Position	(177,289)	(133,284)
Net Position, Beginning of Year	1,695,167	1,828,451
Net Position, End of Year	<u>\$ 1,517,878</u>	<u>\$ 1,695,167</u>

City of Durango, Colorado
General Services Fund
Schedule of Revenues and Expenditures –
Budget and Actual – (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 5,000	\$ 5,000	\$ 11,944	6,944
Services provided	75,000	75,000	75,000	-
Investment earnings	7,000	7,000	6,534	(466)
Total Revenues	<u>87,000</u>	<u>87,000</u>	<u>93,478</u>	<u>6,478</u>
Expenditures				
Administration	151,482	151,482	146,582	4,900
Building maintenance	108,266	108,266	85,377	22,889
Total Expenditures	<u>259,748</u>	<u>259,748</u>	<u>231,959</u>	<u>27,789</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(172,748)</u>	<u>(172,748)</u>	(138,481)	<u>34,267</u>
Reconciliation to GAAP Net Income:				
Subtract depreciation expense			(38,808)	
Net Income (Loss)			<u>\$ (177,289)</u>	

City of Durango, Colorado
Capital Equipment Reserve Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 4,385,285	\$ 3,986,066
Inventory	205,184	224,833
Total Current Assets	<u>4,590,469</u>	<u>4,210,899</u>
Non-Current Assets:		
Capital Assets:		
Construction in progress	603,775	-
Depreciable capital assets, net	4,588,685	5,153,291
Total Non-Current Assets	<u>5,192,460</u>	<u>5,153,291</u>
Total Assets	<u>9,782,929</u>	<u>9,364,190</u>
Liabilities		
Current Liabilities:		
Accounts payable	48,739	58,205
Accrued wages	21,533	16,650
Compensated absences - due in one year	33,704	34,858
Total Current Liabilities	<u>103,976</u>	<u>109,713</u>
Long-Term Liabilities		
Compensated absences, net of current portion	33,704	34,858
Total Long-Term Liabilities	<u>33,704</u>	<u>34,858</u>
Total Liabilities	<u>137,680</u>	<u>144,571</u>
Net Position		
Net investment in capital assets	5,192,460	5,153,391
Unrestricted	4,452,789	4,066,228
Total Net Position	<u>\$ 9,645,249</u>	<u>\$ 9,219,619</u>

City of Durango, Colorado
Capital Equipment Reserve Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for sales and services	\$ 3,053,426	\$ 3,022,766
Miscellaneous	232	3,707
Total Operating Revenues	<u>3,053,658</u>	<u>3,026,473</u>
Operating Expenses		
Equipment maintenance	1,448,833	1,301,509
Depreciation	1,350,981	1,267,494
Total Operating Expenses	<u>2,799,814</u>	<u>2,569,003</u>
Operating Income	253,844	457,470
Non-Operating Revenues (Expenses)		
Gain (Loss) on sale of capital assets	43,783	334,657
Investment earnings	102,470	68,194
Total Non-Operating Revenues (Expenses)	<u>146,253</u>	<u>402,851</u>
Income (Loss) Before Capital Contributions and Transfers	400,097	860,321
Capital contributions	25,533	95,953
Transfers in	<u>-</u>	<u>27,079</u>
Change in Net Position	425,630	983,353
Net Position, Beginning of Year	9,219,619	8,236,266
Net Position, End of Year	<u>\$ 9,645,249</u>	<u>\$ 9,219,619</u>

City of Durango, Colorado
Capital Equipment Reserve Fund
Schedule of Revenues and Expenditures –
Budget and Actual – (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 3,121,456	\$ 3,121,456	\$ 3,053,426	(68,030)
Gain on disposal of assets	100,000	100,000	43,783	(56,217)
Miscellaneous	1,000	1,000	232	(768)
Investment earnings	75,000	75,000	102,470	27,470
Total Revenues	<u>3,297,456</u>	<u>3,297,456</u>	<u>3,199,911</u>	<u>(97,545)</u>
Expenditures				
Equipment maintenance	3,934,065	4,174,125	2,888,633	1,285,492
Total Expenditures	<u>3,934,065</u>	<u>4,174,125</u>	<u>2,888,633</u>	<u>1,285,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(636,609)</u>	<u>(876,669)</u>	311,278	<u>1,187,947</u>
Reconciliation to GAAP Net Income:				
Add capital contributions			25,533	
Add capital expenses capitalized			1,439,800	
Subtract depreciation expense			(1,350,981)	
Net Income			<u>\$ 425,630</u>	

City of Durango, Colorado
Self-Insurance Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 396,113	\$ 12,638
Receivables		
Accounts	280,721	129,496
Total Current Assets	676,834	142,134
Total Assets	676,834	142,134
Liabilities		
Current Liabilities:		
Accounts payable	379,906	366,623
Interfund payable	-	306,000
Total Current Liabilities	379,906	672,623
Total Liabilities	379,906	672,623
Net Position		
Unrestricted	296,928	(530,489)
Total Net Position	\$ 296,928	\$ (530,489)

City of Durango, Colorado
Self-Insurance Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for sales and services	\$ 6,330,536	\$ 5,586,973
Miscellaneous	67,021	92,129
Total Operating Revenues	<u>6,397,557</u>	<u>5,679,102</u>
Operating Expenses		
Administration	19,794	20,597
Medical claims and premiums	5,561,072	5,589,744
Total Operating Expenses	<u>5,580,866</u>	<u>5,610,341</u>
Operating Income	816,691	68,761
Non-Operating Revenues (Expenses)		
Investment earnings	10,726	7,279
Total Non-Operating Revenues (Expenses)	<u>10,726</u>	<u>7,279</u>
Change in Net Position	827,417	76,040
Net Position, Beginning of Year	(530,489)	(606,529)
Net Position, End of Year	<u>\$ 296,928</u>	<u>\$ (530,489)</u>

City of Durango, Colorado
Risk Manager Fund
Comparative Statement of Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 351,259	\$ 318,298
Receivables		
Accounts	31,144	-
Total Current Assets	<u>382,403</u>	<u>318,298</u>
Non-Current Assets:		
Prepaid items	-	18,480
Total Non-Current Assets	<u>-</u>	<u>18,480</u>
Total Assets	<u>382,403</u>	<u>336,778</u>
Liabilities		
Current Liabilities:		
Accounts payable	19,795	26,965
Accrued wages	3,293	2,665
Compensated absences - due in one year	3,829	3,715
Total Current Liabilities	<u>26,917</u>	<u>33,345</u>
Long-Term Liabilities		
Compensated absences, net of current portion	3,829	3,715
Total Long-Term Liabilities	<u>3,829</u>	<u>3,715</u>
Total Liabilities	<u>30,746</u>	<u>37,060</u>
Net Position		
Unrestricted	351,657	299,718
Total Net Position	<u>\$ 351,657</u>	<u>\$ 299,718</u>

City of Durango, Colorado
Risk Manager Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Services provided	\$ 1,188,937	\$ 1,165,038
Miscellaneous	-	2,822
Total Operating Revenues	<u>1,188,937</u>	<u>1,167,860</u>
Operating Expenses		
Administration	124,839	117,858
Insurance Claims and premiums	1,019,707	974,576
Total Operating Expenses	<u>1,144,546</u>	<u>1,092,434</u>
Operating Income (Loss)	44,391	75,426
Non-Operating Revenues (Expenses)		
Investment earnings	7,548	6,054
Total Non-Operating Revenues (Expenses)	<u>7,548</u>	<u>6,054</u>
Change in Net Position	51,939	81,480
Net Position, Beginning of Year	299,718	218,238
Net Position, End of Year	<u>\$ 351,657</u>	<u>\$ 299,718</u>

City of Durango, Colorado
Risk Manager Fund
Schedule of Revenues and Expenditures –
Budget and Actual – (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Services provided	\$ 1,188,937	\$ 1,188,937	\$ 1,188,937	-
Investment earnings	5,500	5,500	7,548	2,048
Total Revenues	<u>1,194,437</u>	<u>1,194,437</u>	<u>1,196,485</u>	<u>2,048</u>
Expenditures				
Administration	101,723	101,723	124,839	(23,116)
Insurance claims and premiums	1,065,858	1,065,858	1,019,707	46,151
Total Expenditures	<u>1,167,581</u>	<u>1,167,581</u>	<u>1,144,546</u>	<u>23,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,856</u>	<u>26,856</u>	51,939	<u>25,083</u>
Reconciliation to GAAP Net Income:				
Net Income			<u>\$ 51,939</u>	



STATISTICAL SECTION

This part of the City of Durango's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the sales and use tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debts in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

There schedules contain service infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2003, schedules presenting government-wide information includes information beginning in that year.

City of Durango, Colorado
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities										
Net investment in capital assets	\$ 131,106,992	\$ 138,286,961	\$ 141,561,808	\$ 143,944,307	\$ 149,052,567	\$ 153,845,848	\$ 160,730,499	\$ 168,087,849	\$ 171,770,608	\$ 173,568,700
Restricted	15,192,125	10,028,576	14,385,910	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407
Unrestricted	27,553,730	29,500,898	26,147,979	25,926,898	28,998,660	35,295,804	32,517,436	35,588,691	36,833,835	44,846,760
Total governmental activities net position	<u>\$ 173,854,847</u>	<u>\$ 177,816,435</u>	<u>\$ 182,095,697</u>	<u>\$ 184,503,061</u>	<u>\$ 187,679,787</u>	<u>\$ 193,547,724</u>	<u>\$ 201,780,382</u>	<u>\$ 206,704,142</u>	<u>\$ 212,802,159</u>	<u>\$ 222,629,867</u>
Business-type activities										
Net investment in capital assets	\$ 59,346,561	\$ 57,919,227	\$ 56,674,450	\$ 62,578,879	\$ 58,365,508	\$ 60,179,815	\$ 65,312,858	\$ 72,528,998	\$ 79,246,150	\$ 83,552,646
Unrestricted	14,110,138	14,988,073	15,225,300	9,429,992	14,668,271	17,283,617	21,401,015	23,650,170	25,507,735	27,053,438
Total business-type activities	<u>\$ 73,456,699</u>	<u>\$ 72,907,300</u>	<u>\$ 71,899,750</u>	<u>\$ 72,008,871</u>	<u>\$ 73,033,779</u>	<u>\$ 77,463,432</u>	<u>\$ 86,713,873</u>	<u>\$ 96,179,168</u>	<u>\$ 104,753,885</u>	<u>\$ 110,606,084</u>
Primary government										
Net investment in capital assets	\$ 190,453,553	\$ 196,206,188	\$ 198,236,258	\$ 206,523,186	\$ 207,418,075	\$ 214,025,663	\$ 226,043,357	\$ 240,616,847	\$ 251,016,758	\$ 257,121,346
Restricted	15,192,125	10,028,576	14,385,910	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407
Unrestricted	41,665,868	44,488,971	41,373,279	35,356,890	43,666,931	52,579,421	53,918,451	59,238,861	62,341,570	71,900,198
Total primary government net position	<u>\$ 247,311,546</u>	<u>\$ 250,723,735</u>	<u>\$ 253,995,447</u>	<u>\$ 256,511,932</u>	<u>\$ 260,713,566</u>	<u>\$ 271,011,156</u>	<u>\$ 288,494,255</u>	<u>\$ 302,883,310</u>	<u>\$ 317,556,044</u>	<u>\$ 333,235,951</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

City of Durango, Colorado
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 6,459,620	\$ 6,147,910	\$ 6,566,189	\$ 7,894,128	\$ 8,821,889	\$ 9,259,225	\$ 9,568,011	\$ 8,855,109	\$ 9,889,447	\$ 10,838,196
Public safety	9,902,478	10,026,418	10,486,094	10,709,354	10,867,750	11,859,989	12,242,685	12,335,341	14,551,095	14,679,218
Public works	8,857,481	5,596,258	5,047,880	5,064,353	7,740,688	9,893,562	7,543,224	4,748,322	8,258,321	9,390,279
Parks and recreation	5,311,387	6,870,057	8,422,273	8,350,689	5,625,209	6,088,070	7,886,241	13,907,700	10,306,478	10,158,829
Library	2,116,832	2,142,218	2,248,888	2,290,097	2,424,281	2,408,555	2,123,310	2,198,153	2,275,892	2,785,741
Community services	1,617,783	920,199	1,402,040	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020
Economic development	654,121	602,258	597,252	633,280	777,227	758,775	806,000	706,821	724,246	862,114
Joint venture-airport	-	-	-	335,969	-	-	-	300,236	-	-
Interest	1,584,995	1,505,308	1,431,999	1,354,291	1,275,537	1,236,752	1,136,023	794,394	666,491	570,216
Total governmental activities expenses	<u>\$ 36,504,697</u>	<u>\$ 33,810,626</u>	<u>\$ 36,202,615</u>	<u>\$ 37,508,308</u>	<u>\$ 39,153,979</u>	<u>\$ 42,681,965</u>	<u>\$ 42,737,654</u>	<u>\$ 45,169,181</u>	<u>\$ 47,840,177</u>	<u>\$ 50,586,613</u>
Business-type activities:										
Water utility	3,677,741	3,546,873	3,962,288	3,992,105	5,048,918	4,697,072	4,949,709	5,539,135	4,742,452	5,335,098
Sewer utility	2,549,096	2,804,795	2,816,834	3,210,315	3,687,699	3,691,696	3,662,081	5,207,201	5,107,230	5,402,629
Parking	879,317	612,136	622,324	999,530	-	-	-	-	-	-
Sustainable services	1,591,916	1,783,260	2,251,174	2,189,067	2,097,284	2,146,425	2,397,968	2,566,943	2,838,228	2,856,608
Transportation services	2,216,737	2,293,441	2,472,008	2,498,054	3,422,104	3,556,523	3,771,789	3,769,823	3,359,309	3,606,291
Total business-type expenses	<u>\$ 10,914,807</u>	<u>\$ 11,040,505</u>	<u>\$ 12,124,628</u>	<u>\$ 12,889,071</u>	<u>\$ 14,256,005</u>	<u>\$ 14,091,716</u>	<u>\$ 14,781,547</u>	<u>\$ 17,083,102</u>	<u>\$ 16,047,219</u>	<u>\$ 17,200,626</u>
Total primary government expenses	<u>\$ 47,419,504</u>	<u>\$ 44,851,131</u>	<u>\$ 48,327,243</u>	<u>\$ 50,397,379</u>	<u>\$ 53,409,984</u>	<u>\$ 56,773,681</u>	<u>\$ 57,519,201</u>	<u>\$ 62,252,283</u>	<u>\$ 63,887,396</u>	<u>\$ 67,787,239</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,254,099	\$ 1,731,124	\$ 2,485,211	\$ 1,946,179	\$ 1,945,001	\$ 2,671,977	\$ 1,774,979	\$ 1,711,347	\$ 3,228,028	\$ 4,646,606
Public safety	895,062	912,452	1,163,291	1,234,866	1,056,131	1,089,447	1,154,793	42,407	1,210,808	1,183,597
Public works	-	-	-	2,818,971	600	-	500	1,050	1,500	600
Parks and recreation	2,485,158	2,487,984	2,733,317	35,236	3,011,398	3,124,615	3,157,875	3,245,745	3,645,773	3,723,470
Library	37,997	38,292	34,431	-	32,870	28,206	19,558	-	25,817	23,349
Joint venture - airport	4,452,278	754,844	115,006	-	11,115	245,400	2,387,802	-	1,145,902	2,779,828
Operating grants and contributions	2,116,207	2,143,915	1,182,581	1,728,609	27,578	682,853	1,057,299	1,904,987	783,635	1,162,030
Capital grants and contributions	4,733,801	826,921	1,452,777	706,725	3,273,358	5,954,033	4,580,550	5,288,510	3,812,042	1,934,943
Total governmental activities program revenues	<u>\$ 15,974,602</u>	<u>\$ 8,895,532</u>	<u>\$ 9,166,614</u>	<u>\$ 8,470,586</u>	<u>\$ 9,358,051</u>	<u>\$ 13,796,531</u>	<u>\$ 14,133,356</u>	<u>\$ 12,194,046</u>	<u>\$ 13,853,505</u>	<u>\$ 15,454,423</u>
Business-type activities:										
Charges for services										
Water utility	3,520,173	3,373,959	3,693,867	3,534,133	4,757,161	5,164,166	6,088,731	6,627,997	7,736,203	6,766,656
Sewer utility	1,568,099	1,785,357	1,826,540	2,788,708	4,165,434	5,670,452	7,260,261	7,680,011	7,834,816	7,876,675
Parking	1,118,048	1,125,497	1,098,072	966,059	-	-	-	-	-	-
Sustainable services	1,485,061	1,990,924	1,848,773	1,930,001	1,957,999	2,072,075	2,261,480	2,467,388	2,714,050	2,916,117
Transportation services	190,901	253,452	258,237	283,200	1,741,650	1,903,358	2,048,400	2,246,691	1,966,020	2,275,070
Operating grants and contributions	703,960	881,594	1,112,344	1,427,220	1,285,444	1,727,167	1,027,923	1,005,912	1,082,586	1,266,078
Capital grants and contributions	10,273,045	569,033	521,610	1,420,396	900,912	1,295,610	4,429,964	6,185,080	2,265,850	1,967,353
Total business-type activities program revenues	<u>\$ 18,859,287</u>	<u>\$ 9,979,816</u>	<u>\$ 10,359,443</u>	<u>\$ 12,349,717</u>	<u>\$ 14,808,600</u>	<u>\$ 17,832,828</u>	<u>\$ 23,116,759</u>	<u>\$ 26,213,079</u>	<u>\$ 23,599,525</u>	<u>\$ 23,067,949</u>
Total primary government program revenues	<u>\$ 34,833,889</u>	<u>\$ 18,875,348</u>	<u>\$ 19,526,057</u>	<u>\$ 20,820,303</u>	<u>\$ 24,166,651</u>	<u>\$ 31,629,359</u>	<u>\$ 37,250,115</u>	<u>\$ 38,407,125</u>	<u>\$ 37,453,030</u>	<u>\$ 38,522,372</u>

City of Durango, Colorado
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense) revenue										
Governmental activities	\$ (20,530,095)	\$ (24,915,094)	\$ (27,036,001)	\$ (29,037,722)	\$ (29,795,928)	\$ (28,885,434)	\$ (28,604,298)	\$ (32,975,135)	\$ (33,986,672)	\$ (35,132,190)
Business-type activities	7,944,480	(1,060,689)	(1,765,185)	(539,354)	552,595	3,741,112	8,335,212	9,129,977	7,552,306	5,867,323
Total primary governmental net expense	<u>\$ (12,585,615)</u>	<u>\$ (25,975,783)</u>	<u>\$ (28,801,186)</u>	<u>\$ (29,577,076)</u>	<u>\$ (29,243,333)</u>	<u>\$ (25,144,322)</u>	<u>\$ (20,269,086)</u>	<u>\$ (23,845,158)</u>	<u>\$ (26,434,366)</u>	<u>\$ (29,264,867)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 1,314,787	\$ 1,321,708	\$ 1,199,323	\$ 1,300,863	\$ 1,153,727	\$ 1,175,954	\$ 1,382,357	\$ 1,424,827	\$ 2,977,475	\$ 3,011,855
Sales and use taxes	18,334,353	18,997,208	20,667,890	21,693,087	22,815,810	24,038,473	24,549,475	25,510,996	25,554,110	28,433,421
Shared sales taxes	-	-	-	4,270,249	4,523,288	4,977,814	3,854,966	4,077,966	4,045,539	4,432,322
Other shared taxes	974,684	1,143,963	1,073,087	1,017,165	1,274,246	1,891,568	1,979,176	2,063,007	2,097,138	2,232,115
Lodgers taxes	705,240	722,042	764,257	820,832	918,679	974,572	1,062,509	1,067,684	1,035,151	1,098,958
Other taxes	5,784,119	5,296,757	5,265,185	138,508	110,407	202,161	1,149,102	1,026,266	1,195,532	1,307,271
Franchise fees	-	-	-	1,009,105	1,121,995	1,138,859	1,532,637	1,547,100	1,497,396	1,514,111
Occupational taxes	-	-	-	184,394	194,394	181,147	155,373	175,703	174,671	178,308
Gain/loss on disposal of capital assets	3,972	4,477	464,641	26,520	-	11,619	2,395	-	6,090	1,176
Investment earnings	248,103	297,870	150,469	34,780	222,369	194,144	198,604	145,168	276,091	588,877
Miscellaneous	922,266	1,182,555	1,845,407	1,351,027	1,297,042	1,779,906	1,333,735	1,968,521	1,475,496	2,135,938
Transfers	(80,000)	(89,898)	(114,996)	(169,444)	(156,847)	(147,361)	(363,373)	(191,011)	(250,000)	(350,000)
Total governmental activities	<u>28,207,524</u>	<u>28,876,682</u>	<u>31,315,263</u>	<u>31,677,086</u>	<u>33,475,110</u>	<u>36,418,856</u>	<u>36,836,956</u>	<u>38,816,227</u>	<u>40,084,689</u>	<u>44,584,352</u>
Business-type activities:										
Gain/loss on disposal of capital assets	(75,379)	11,545	20,500	52,036	20,740	38,628	110,239	-	21,186	-
Investment earnings	154,934	225,579	141,285	55,114	161,282	180,197	130,115	174,242	393,793	520,909
Miscellaneous	93,678	184,268	480,854	371,881	387,731	322,355	311,502	294,822	357,432	274,962
Transfers	80,000	89,898	114,996	169,444	156,847	147,361	363,373	191,011	250,000	350,000
Total business-type activities	<u>253,233</u>	<u>511,290</u>	<u>757,635</u>	<u>648,475</u>	<u>726,600</u>	<u>688,541</u>	<u>915,229</u>	<u>660,075</u>	<u>1,022,411</u>	<u>1,145,871</u>
Total primary government	<u>\$ 28,460,757</u>	<u>\$ 29,387,972</u>	<u>\$ 32,072,898</u>	<u>\$ 32,325,561</u>	<u>\$ 34,201,710</u>	<u>\$ 37,107,397</u>	<u>\$ 37,752,185</u>	<u>\$ 39,476,302</u>	<u>\$ 41,107,100</u>	<u>\$ 45,730,223</u>
Change in Net Position										
Governmental activities	\$ 7,677,429	\$ 3,961,588	\$ 4,279,262	\$ 2,639,364	\$ 3,679,182	\$ 7,533,422	\$ 8,232,658	\$ 5,841,092	\$ 6,098,017	\$ 9,452,162
Business-type activities	8,197,713	(549,399)	(1,007,550)	109,121	1,279,195	4,429,653	9,250,441	9,790,052	8,574,717	7,013,194
Total primary government	<u>\$ 15,875,142</u>	<u>\$ 3,412,189</u>	<u>\$ 3,271,712</u>	<u>\$ 2,748,485</u>	<u>\$ 4,958,377</u>	<u>\$ 11,963,075</u>	<u>\$ 17,483,099</u>	<u>\$ 15,631,144</u>	<u>\$ 14,672,734</u>	<u>\$ 16,465,356</u>

City of Durango, Colorado
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Nonspendable	\$ -	\$ 30,124	\$ 16,562	\$ 15,536	\$ 45,189	\$ 44,071	\$ 49,977	\$ 51,539	\$ 69,880	\$ 57,311
Restricted	-	1,118,324	1,196,604	1,284,613	1,428,167	1,638,931	1,448,321	1,479,416	1,580,768	1,747,322
Committed	-	-	785,373	2,404,098	1,500,000	42,191	153,335	146,407	124,197	124,837
Assigned	-	218,021	7,080,492	6,659,658	566,016	1,574,489	841,280	684,432	1,088,811	634,738
Unassigned	-	7,726,125	2,030,212	1,542,339	5,767,924	4,755,657	4,173,476	4,106,955	4,583,723	8,312,876
Reserved	1,126,653	-	-	-	-	-	-	-	-	-
Unreserved	7,304,176	-	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 8,430,829</u>	<u>\$ 9,092,594</u>	<u>\$ 11,109,243</u>	<u>\$ 11,906,244</u>	<u>\$ 9,307,296</u>	<u>\$ 8,055,339</u>	<u>\$ 6,666,389</u>	<u>\$ 6,468,749</u>	<u>\$ 7,447,379</u>	<u>\$ 10,877,084</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	567,495	740,722	925,001	7,241,225	7,282,374	1,623,824	2,809,046	2,899,800
Committed	-	-	8,040,453	7,875,468	7,872,639	4,670,089	6,720,670	9,544,754	8,082,415	9,478,548
Assigned	-	-	160,190	55,772	46,994	25,361	(165,881)	40,054	41,315	9,711
Unassigned	-	-	-	-	(587,668)	(675,401)	(239,508)	(68,553)	-	(430,489)
Reserved	480,569	457,433	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,333,167	2,129,048	-	-	-	-	-	-	-	-
Capital projects funds	26,218,215	11,285,494	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 28,031,951</u>	<u>\$ 13,871,975</u>	<u>\$ 8,768,138</u>	<u>\$ 8,671,962</u>	<u>\$ 8,256,966</u>	<u>\$ 11,261,274</u>	<u>\$ 13,597,655</u>	<u>\$ 11,140,079</u>	<u>\$ 10,932,776</u>	<u>\$ 11,957,570</u>

Note: Retroactive reporting of fund balances in accordance with GASB Statement No. 54 is not feasible. Fund balances prospective from 2011 will be reported in accordance with GASB Statement No. 54.

City of Durango, Colorado
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 26,138,499	\$ 26,337,715	\$ 27,896,655	\$ 29,417,038	\$ 30,978,221	\$ 33,668,032	\$ 34,611,683	\$ 35,957,074	\$ 37,466,900	\$ 40,978,772
Special Assessments	677	760	83,750	37,649	32,941	32,512	21,832	19,156	12,971	-
Intergovernmental	5,880,258	4,840,350	4,444,783	4,202,231	5,170,192	7,172,715	7,535,413	3,837,102	3,973,751	4,383,810
Licenses and permits	445,992	434,563	543,874	600,710	605,419	769,915	642,712	920,358	769,516	740,108
Charges for services	3,726,534	3,806,760	3,931,021	4,076,208	4,302,784	4,410,489	4,334,873	4,808,904	5,047,270	6,539,922
Fines and forfeitures	287,786	396,329	423,947	476,236	318,307	257,379	244,388	188,606	186,064	138,544
Investment earnings	216,055	259,044	128,959	25,453	222,370	194,144	198,604	133,946	276,091	588,877
Miscellaneous	922,266	1,182,555	2,389,540	1,410,025	1,310,357	2,861,885	1,353,983	1,988,147	1,566,737	2,135,938
Total revenues	\$ 37,618,067	\$ 37,258,076	\$ 39,842,529	\$ 40,245,550	\$ 42,940,591	\$ 49,367,071	\$ 48,943,488	\$ 47,853,293	\$ 49,299,300	\$ 55,505,971
Expenditures										
General government	5,162,501	4,870,766	5,232,468	5,757,125	6,982,575	7,307,093	7,814,532	8,217,052	8,091,890	8,519,852
Public safety	10,190,490	10,021,389	10,317,489	10,380,683	11,248,010	11,397,958	12,076,794	12,335,341	14,551,095	14,558,963
Public works	3,141,127	3,681,650	4,050,886	5,499,208	6,819,504	11,675,027	8,657,493	4,748,322	4,393,110	3,634,304
Parks and recreation	4,580,856	6,108,752	7,583,300	7,718,598	7,358,718	7,103,637	7,886,241	8,616,568	11,186,165	8,146,656
Library	1,737,454	1,778,631	1,840,717	1,901,877	2,030,290	2,019,770	2,123,310	2,198,153	2,275,892	2,383,009
Community services	1,617,183	920,199	1,402,040	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020
Economic development	654,121	602,258	597,252	633,280	777,227	758,775	806,000	706,821	724,246	862,114
Non-departmental	1,346,979	1,774,349	1,657,336	1,531,075	1,598,260	1,612,742	1,586,592	1,563,947	1,684,325	1,833,941
Capital outlay	18,858,678	8,073,095	1,896,176	1,710,127	3,004,317	1,967,238	3,088,627	5,948,601	420,241	7,208,024
Debt service										
Principal	2,165,000	2,240,000	2,315,000	2,400,000	2,475,000	2,675,000	1,915,000	2,965,000	3,170,000	2,105,000
Interest	1,591,687	1,511,385	1,438,474	1,360,774	1,282,979	1,281,357	1,057,091	868,500	637,233	511,742
Total expenditures	\$ 51,046,076	\$ 41,582,474	\$ 38,331,138	\$ 39,768,894	\$ 45,198,278	\$ 48,975,634	\$ 48,443,840	\$ 49,491,410	\$ 48,302,404	\$ 51,065,625
Excess of revenues over (under) expenditures	(13,428,009)	(4,324,398)	1,511,391	476,656	(2,257,687)	391,437	499,648	(1,638,117)	996,896	4,440,346
Other financing sources (uses)										
Issuance of debt	-	-	-	-	2,700,000	-	9,580,000	10,310,000	-	-
Payments to escrow agent	-	-	-	-	-	-	(10,409,413)	(10,258,338)	-	-
Transfers in	6,299,052	9,115,584	7,224,179	9,582,188	12,085,037	12,481,114	9,314,997	13,499,941	8,094,955	8,022,312
Transfers out	(6,379,052)	(9,230,580)	(7,266,176)	(9,697,183)	(12,220,037)	(12,616,114)	(9,564,997)	(13,749,941)	(8,344,955)	(8,372,312)
Sale of capital assets	3,972	4,477	464,641	21,370	68,394	11,619	2,395	21,718	6,090	1,176
Total other financing sources (uses)	(76,028)	(110,519)	422,644	(93,625)	2,633,394	(123,381)	(1,077,018)	(176,620)	(243,910)	(348,824)
Net change in fund balances	\$ (13,504,037)	\$ (4,434,917)	\$ 1,934,035	\$ 383,031	\$ 375,707	\$ 268,056	\$ (577,370)	\$ (1,814,737)	\$ 752,986	\$ 4,091,522
Debt service as a percentage of noncapital expenditures	8.5%	13.3%	13.8%	11.7%	9.8%	6.9%	5.7%	7.7%	9.6%	6.3%

City of Durango, Colorado
General Governmental Tax Revenues by Source
(modified accrual basis of accounting)

Fiscal Year	Property & SOT	City Sales Tax	City Use Tax	County Sales Tax	Franchise & Business	Lodgers Tax	Other Taxes	Total
2010	\$ 1,395,048	\$ 17,529,103	\$ 805,250	\$ 2,867,532	\$ 1,272,321	\$ 705,240	\$ 1,564,004	\$ 26,138,498
2011	1,421,387	18,162,241	834,967	2,985,380	1,279,085	722,042	932,613	26,337,715
2012	1,280,845	19,165,358	1,502,532	3,140,649	836,068	764,257	1,206,946	27,896,655
2013	1,300,863	20,314,633	1,378,454	3,390,224	1,193,499	820,832	1,056,182	29,454,687
2014	1,264,134	21,364,739	1,196,928	3,570,505	1,362,019	918,679	1,301,217	30,978,221
2015	1,285,137	22,528,320	1,449,705	3,814,184	1,571,120	974,572	2,044,994	33,668,032
2016	1,382,357	23,152,987	1,307,583	3,854,966	1,688,010	1,062,509	2,074,366	34,522,778
2017	1,424,827	23,719,956	1,791,040	4,077,966	1,722,803	1,067,684	2,152,798	35,957,074
2018	2,977,475	23,809,794	1,611,519	4,045,539	1,672,067	1,035,151	2,182,558	37,334,103
2019	3,011,855	26,945,036	1,488,385	4,432,322	1,692,419	1,098,958	2,309,797	40,978,772

Effective June 1, 1999, the City increased the City sales and use tax percentage from 2.0% to 2.5%.

Effective July 1, 2005, the City increased the City sales and use tax percentage from 2.5% to 3.0%.

Effective January 1, 2018, the City increased the City mill levy rate from 2.5007 to 5.0007.

City of Durango, Colorado
City Sales and Use Tax Revenue
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	General City Sales and Use Tax	Recreation Complex/Trails Sales and Use Tax	Open Space, Parks and Trails		Capital Improvements Sales and Use Tax	Streets Improvement Sales and Use Tax	Total Revenue	Total Direct Tax Rate
			Sales and Use Tax	Use Tax				
2010	\$ 11,686,383	\$ 2,922,236	\$ 1,460,242	\$ 1,460,242	\$ 1,460,242	\$ -	\$ 17,529,103	3.0%
2011	12,108,845	3,027,606	1,512,895	1,512,895	1,512,895	-	18,162,241	3.0%
2012	13,779,428	3,445,264	1,721,599	1,721,599	1,721,599	-	20,667,890	3.0%
2013	14,462,913	3,616,172	1,807,001	1,807,001	1,807,001	-	21,693,087	3.0%
2014	15,041,756	3,761,086	1,879,414	1,879,414	1,879,414	-	22,561,670	3.0%
2015	15,986,262	3,997,080	1,997,341	1,997,341	1,997,341	-	23,978,024	3.0%
2016	16,308,028	4,077,494	2,037,524	2,037,524	2,037,524	-	24,460,570	3.0%
2017	16,775,259	4,194,347	2,095,914	2,095,914	2,095,914	-	25,161,434	3.0%
2018	15,873,878	3,969,148	1,983,384	1,983,384	1,983,384	-	23,809,794	3.0%
2019	17,423,706	4,348,889	2,173,024	2,173,024	2,173,023	2,314,779	28,433,421	3.5%

The Recreation Complex/Trails sales and use tax (0.5%) became effective on June 1, 1999 and sunset on December 31, 2019.
The Open Space, Parks and Trails sales and use tax (0.25%) and the Capital Improvements sales and use tax (0.25%) were
effective July 1, 2005 and sunset on December 31, 2016.
Effective April 2, 2019, the City increased the City sales tax rate by 0.5%.

City of Durango, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	La Plata County	State of Colorado
2010	3.0%	2.0%	2.9%
2011	3.0%	2.0%	2.9%
2012	3.0%	2.0%	2.9%
2013	3.0%	2.0%	2.9%
2014	3.0%	2.0%	2.9%
2015	3.0%	2.0%	2.9%
2016	3.0%	2.0%	2.9%
2017	3.0%	2.0%	2.9%
2018	3.0%	2.0%	2.9%
2019	3.5%	2.0%	2.9%

Note: The City sales tax rate may be increased only with the approval of the City voters.

City of Durango, Colorado
Principal Sales Tax Remitters
Current Year and Nine Years Ago

Classification of Individual Business	2019 Sales Tax Remitted	Percentage of Total Tax Remitted	2010 Sales Tax Remitted	Percentage of Total Tax Remitted
Retail-General Merchandise	\$ 2,964,564	10.4%	\$ 2,541,736	14.5%
Retail-Food Store	1,357,968	4.8%	863,105	4.9%
Retail-Building Supplies	1,261,612	4.4%	785,576	4.5%
Retail-Food Store	1,096,564	3.9%	710,186	4.1%
Retail-Food Store	601,133	2.1%	431,649	2.5%
Utility Services	579,885	2.0%	468,065	2.7%
Retail-Food Store	447,562	1.6%	132,135	0.8%
Retail-Automotive	363,835	1.3%	163,870	0.9%
Lodging and Restaurant	323,479	1.1%	173,196	1.0%
Retail-Food Store	306,056	1.1%	210,923	1.2%
Total City Sales Tax Collected by 10 Largest Businesses	<u>\$ 9,302,658</u>	<u>32.7%</u>	<u>\$ 6,480,441</u>	<u>37.0%</u>
Total City Sales Tax Collected by All Businesses	<u>\$ 28,433,421</u>	<u>100%</u>	<u>\$ 17,529,103</u>	<u>100%</u>

Source: City of Durango Finance Department

Notes: Figures are based on cash basis remittances.

The names of the ten largest remitters are confidential pursuant to the City Charter.

The business classification has been substituted for the name of the business.

City of Durango, Colorado
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capital (1)
	Sales and Use Tax Revenue	Certificates of Participation	Activities				
	Bonds		Water & Sewer Fund Loans	Sales and Use Tax			
2010	\$ 38,390,000	\$ -	\$ -	-	\$ 38,390,000	1.11%	2,273
2011	36,150,000	-	-	-	36,150,000	1.20%	2,139
2012	33,835,000	-	-	-	33,835,000	1.12%	1,986
2013	31,435,000	-	-	3,978,753	35,413,753	1.21%	2,051
2014	28,960,000	2,700,000	-	3,809,251	35,469,251	1.19%	2,005
2015	26,385,000	2,600,000	-	3,636,428	32,621,428	0.98%	1,829
2016	24,181,490	2,500,000	-	65,660,219	92,341,709	2.45%	5,101
2017	24,745,726	2,400,000	-	63,137,297	90,283,023	2.28%	4,717
2018	18,670,000	2,295,000	-	60,513,091	81,478,091	2.13%	4,413
2019	16,675,000	2,185,000	-	57,837,153	76,697,153	2.00%	4,024

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for population data. The current year was not available, so the prior year's population was used.

(2) Personal income data is not available at the municipal level for the City of Durango. Estimated taxable value of property has been used instead.

Data for actual taxable value was obtained from the La Plata County Assessor's Office and is detailed on the schedule of Property Value and Construction.

City of Durango, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
School District 9-R	\$ 28,355,000	42.5%	\$ 12,050,875
Other debt			
La Plata County General Obligation Debt	217,910	31.9%	69,513
Subtotal, overlapping debt			12,120,388
Direct City debt			18,860,000
Total direct and overlapping debt			\$ 30,980,388

Source: Assessed valuation data was obtained from the La Plata County Assessor's Abstract.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Durango. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The estimated percentage applicable for debt repaid with property taxes is calculated using the property value of the overlapping area and the overlapping government.

City of Durango, Colorado
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 53,636,886	\$ 48,826,993	\$ 48,646,335	\$ 47,020,225	\$ 48,078,341	\$ 51,642,484	\$ 52,671,610	\$ 54,941,624	\$ 55,446,342	\$ 554,463,420
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 53,636,886	\$ 48,826,993	\$ 48,646,335	\$ 47,020,225	\$ 48,078,341	\$ 51,642,484	\$ 52,671,610	\$ 54,941,624	\$ 55,446,342	\$ 554,463,420

Legal debt margin as a percentage of the debt limit

100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
------	------	------	------	------	------	------	------	------	------	------

Legal Debt Margin Calculation:

Assessed Value	\$ 594,640,160
Debt limit (10% of assessed valuation)	59,464,016
Debt applicable to limit:	-
General obligation bonds	-
Less: Amount set aside for repayment	-
Total net debt applicable to limit	\$ 59,464,016
Legal debt margin	

Note: Under the provisions of the City of Durango Charter, Article IV, Section 21, the aggregate amount of bonds or other forms of indebtedness payable in whole or in part from the proceeds of ad valorem taxes, or to which the full faith and credit of the City are pledged (excluding such debt relating to water and excluding securities issued under Section 23) shall not exceed 10% of the assessed valuation of the taxable property within the City, as shown in the most recent assessment for the City.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds-Series 2007
Last Ten Fiscal Years

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue		Debt Service		Total	Coverage
			Pledged Sales Tax	Available for Debt Service	Principal	Interest		
2010	\$ 1,460,242	\$ 67,077	\$ 1,527,319	\$ 586,319	\$ 670,000	\$ 586,319	\$ 1,256,319	1.21
2011	1,512,895	69,553	1,582,448	559,519	695,000	559,519	1,254,519	1.22
2012	1,596,438	125,161	1,721,599	531,719	725,000	531,719	1,256,719	1.26
2013	1,692,176	114,825	1,807,001	502,719	750,000	502,719	1,252,719	1.37
2014	1,779,655	99,759	1,879,414	472,719	780,000	472,719	1,252,719	1.44
2015	1,876,581	120,760	1,997,341	441,519	815,000	441,519	1,256,519	1.50
2016	-	-	-	-	-	-	-	1.31
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-

Note: The pledged revenue for the Series 2007 issue is fifty percent of a one-half cent sales and use tax increase that became effective in July 2005. The pledged taxes sunset December 31, 2016. They are held in the Capital Improvements Fund. These bonds were refinanced in 2016.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds-Series 2008
Last Ten Fiscal Years

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue		Debt Service		
			Available for Debt Service		Principal	Interest	Total
2010	\$ 11,686,383	\$ 536,861	\$ 12,223,244	\$ 840,000	\$ 326,283	\$ 1,166,283	10.48
2011	12,108,845	556,672	12,665,517	865,000	298,983	1,163,983	10.88
2012	12,777,690	1,001,738	13,779,428	895,000	270,870	1,165,870	11.82
2013	13,543,897	919,016	14,462,913	935,000	239,545	1,174,545	12.31
2014	14,243,981	797,772	15,041,753	965,000	209,625	1,174,625	12.81
2015	15,019,744	966,518	15,986,262	1,005,000	173,438	1,178,438	13.57
2016	15,436,263	871,765	16,308,028	1,040,000	133,238	1,173,238	13.90
2017	15,581,172	1,194,087	16,775,259	1,085,000	91,638	1,176,638	14.26
2018	15,873,878	1,074,400	16,948,278	1,135,000	48,238	1,183,238	14.32
2019	-	-	-	-	-	-	-

Note: The pledged revenue for the Series 2008 issue is the General Fund two percent sales and use tax. The bonds were paid off during 2018.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Bonds-Series 2009
Last Ten Fiscal Years

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue		Debt Service			Coverage
			Available for Debt Service		Principal	Interest	Total	
2010	\$ 11,686,383	\$ 536,861	\$ 12,223,244	\$	655,000	\$ 679,085	\$ 1,334,085	9.16
2011	12,108,845	556,672	12,665,517		680,000	652,885	1,332,885	9.50
2012	12,777,690	1,001,738	13,779,428		695,000	635,885	1,330,885	10.35
2013	13,543,897	919,016	14,462,913		715,000	618,510	1,333,510	10.85
2014	14,243,981	797,772	15,041,753		730,000	600,635	1,330,635	11.30
2015	15,019,744	966,518	15,986,262		755,000	578,735	1,333,735	11.99
2016	15,436,263	871,765	16,308,028		775,000	554,198	1,329,198	12.27
2017	15,581,172	1,194,087	16,775,259		800,000	529,010	1,329,010	12.62
2018	15,873,878	1,074,400	16,948,278		830,000	65,525	895,525	18.93
2019	16,381,884	1,009,212	17,391,096		860,000	34,400	894,400	19.44

Note: The pledged revenue for the Series 2009 issue is the General Fund two percent sales and use tax. The bonds were paid off in 2019.

City of Durango, Colorado
Pledged-Revenue Coverage
Sales and Use Tax Revenue Note-Series 2016
Last Ten Fiscal Years

Fiscal Year	Pledged Sales Tax	Pledged Use Tax	Revenue		Debt Service		Total	Coverage
			Pledged Sales Tax	Available for Debt Service	Principal	Interest		
2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-
2016	1,928,602	108,922	2,037,524	-	-	-	-	-
2017	1,946,721	149,493	2,096,214	980,000	195,432	1,175,432	1.78	
2018	1,983,384	134,239	2,117,623	1,000,000	175,440	1,175,440	1.80	
2019	2,046,925	126,098	2,173,023	1,015,000	155,040	1,170,040	1.86	

Note: The pledged revenue for the Series 2007 issue is fifty percent of a one-half sales and use tax increase that became effective in July 2005. The pledged sales taxes sunset December 31, 2016. They are held in the Capital Improvement Fund.

City of Durango, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population (1)	County Population (1)	Personal Income (2)	Per capita Personal Income (2)	Unemployment Rate (3)
2010	16,887	51,334	\$ 2,073,769,260	\$ 42,364	5.7%
2011	16,903	51,431	2,149,060,330	43,453	6.9%
2012	17,033	51,944	2,207,784,320	45,476	5.5%
2013	17,269	52,506	2,484,802,000	46,633	6.0%
2014	17,689	53,446	2,579,790,000	47,784	5.5%
2015	17,834	53,989	2,815,067,000	51,475	5.1%
2016	18,101	54,688	2,843,289,000	51,117	3.0%
2017	18,503	55,623	2,932,800,000	52,759	2.9%
2018	18,465	55,589	3,142,489,000	55,807	3.1%
2019	19,059	56,272	N/A	N/A	2.2%

Sources:

- (2) State of Colorado Division of Local Government Demography Office.
- (3) Personal income and per capital personal income statistics are not available at the municipal level for the City. La Plata County statistics provided by the US Department of Commerce; Bureau of Economic Analysis are shown.
- (4) Colorado Department of Labor and Employment for La Plata County.

Notes: The Colorado Demographer's Office forecasts population estimates for counties, but not for municipalities.

City of Durango, Colorado
Principal Employers
Current Year and Nine Years Ago

Employer	2019*		2010	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Mercy Medical Center	1,321	3.8%	625	2.2%
Durango School District 9R	1,011	2.9%	544	1.9%
Southern Ute Tribe	980	2.8%	1,500	5.4%
Fort Lewis College	611	1.7%	535	1.9%
City of Durango	595	1.7%	500	1.8%
Crossfire	474	1.3%	-	0.0%
La Plata County	458	1.3%	412	1.5%
Southern Ute Lodge & Casino	400	1.1%	NA	NA
Vantiv	360	1.0%	-	0.0%
Wal-Mart	322	0.9%	353	1.3%
Total	6,532	18.6%	4,469	16.0%
 Total La Plata County Employment	 35,195	 100%	 27,949	 100%

Source: Region 9 Economic Development District of SW Colorado

*Some employers provided an average number of employees and others provided actual FTE counts.

Notes: Employer data is not available at the municipal level. Data presented is for La Plata County.

The most recent data available is provided in the schedule.

City of Durango, Colorado
Property Value and Construction
Last Ten Fiscal Years

Fiscal Year	Property Value (1)			Commercial Construction (2)		New Residential & Other Construction (2)	
	Commercial	Residential	Total	Number of Permits	Value	Number of Permits (Units)	Value
2010	\$ 1,246,459,259	\$ 2,201,193,467	\$ 3,447,652,726	3	\$ 1,067,588	25 (54)	\$ 15,589,170
2011	944,478,790	2,071,047,330	3,015,526,120	4	1,449,910	39 (42)	7,822,044
2012	944,478,790	2,071,047,330	3,015,526,120	9	20,666,680	391 (42)	23,353,205
2013	911,382,230	2,009,083,420	2,920,465,650	5	11,803,699	516 (100)	36,622,639
2014	935,081,880	2,047,280,250	2,982,362,130	4	4,745,726	70 (138)	20,860,867
2015	957,824,280	2,382,562,440	3,340,386,720	7	9,909,232	495 (196)	49,571,608
2016	1,039,534,330	2,729,145,880	3,768,680,210	7	2,164,878	434 (111)	37,586,147
2017	1,047,965,070	2,786,167,240	3,834,132,310	12	27,641,356	533 (355)	56,964,095
2018	1,047,711,180	2,786,423,670	3,834,134,850	10	21,990,065	571 (124)	37,190,578
2019	N/A	N/A	N/A	5	7,092,303	539 (89)	45,984,765

Sources:

(1) Estimated actual value was obtained from the La Plata County Assessor's Office.

(2) Per the City of Durango Planning and Community Development Department

Notes: Property values are reassessed every two years by the La Plata County Assessor's Office.

City of Durango, Colorado
Full-time Regular City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	54.00	52.37	53.42	57.25	66.42	69.42	69.42	72.55	72.55	79.75
Public safety	84.00	84.00	84.00	85.00	86.00	86.00	87.00	88.00	88.00	88.00
Public works	23.00	19.00	18.50	19.00	19.00	21.00	23.00	23.10	24.10	24.10
Parks and recreation	24.00	24.00	26.00	29.00	30.00	32.00	32.00	33.00	38.00	38.00
Library	21.50	20.50	20.50	20.50	20.50	20.50	20.50	20.50	20.00	20.00
Joint venture airport	12.00	16.00	16.00	17.00	17.00	21.00	23.00	23.00	23.00	23.00
Water utility	16.00	16.00	15.75	17.00	21.60	20.80	21.80	21.35	20.25	18.00
Sewer utility	12.00	12.00	12.75	16.00	16.40	17.40	17.80	21.35	23.45	21.90
Parking	6.00	6.00	6.00	6.00	-	-	-	-	-	-
Sustainable services	10.00	12.50	12.50	12.50	12.00	12.33	13.34	13.15	13.15	12.00
Transportation services	17.00	17.33	18.33	19.33	27.33	30.00	32.00	32.25	27.25	26.00
Total	279.50	279.70	283.75	298.58	316.25	330.45	339.86	348.25	349.75	350.75

Source: City Budgets.

Notes: General government function includes internal service funds full-time employees. Represents full-time benefited positions for each year presented.

The Public safety function included fire department employees for 1999 through 2001 when the department was merged with two fire districts into the Durango Fire and Rescue Authority.

The Airport is jointly owned by the City and the County. The City took over the management responsibility for operations of the airport in 2003.

City of Durango, Colorado
Operating Indicators by Function/Program
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function/Program										
<i>General government</i>										
Building permits issued	416	392	400	521	572	502	441	545	581	515
Value of buildings (millions)	\$ 16.7	\$ 22.5	\$ 44.0	\$ 48.4	\$ 40.2	\$ 42.5	\$ 39.8	\$ 84.6	\$ 59.1	\$ 80.3
Building construction inspections	802	781	854	1,191	1,141	1,182	1,126	1,100	1,177	1,139
Acres annexed	-	592.97	772.20	774.82	3,655.90	3,655.90	3,655.90	91.41	1,994.80	3.21
Areas in square miles	9.85	10.83	11.12	13.85	19.57	19.57	19.57	13.98	17.07	17.10
<i>Public Safety</i>										
Total number of police incidents	34,730	37,836	39,705	34,105	37,466	39,702	40,673	38,705	37,106	32,233
Number of 911 calls received	16,483	16,071	18,180	17,677	18,855	19,002	20,195	19,644	19,995	20,169
<i>Public Works</i>										
Street miles swept	8,124	10,357	11,873	10,840	10,630	11,317	12,100	13,594	12,286	11,093
Tons hot mix applied	355	169	242	302	225	359	339	407	360	345
Signs replaced/installed	770	1,931	2,448	2,149	1,546	1,439	1,933	1,750	1,314	1,314
Snow hauled (cubic yards)	34,760	10,490	18,975	8,998	380	15,190	17,620	11,970	566	27,161
<i>Parks and Recreation</i>										
Recreation Center admissions	331,569	339,906	339,666	362,889	371,149	366,006	370,376	370,385	386,613	379,483
Program participants	29,765	30,820	30,987	34,541	36,712	37,445	38,373	42,795	88,714	124,725
Park & River permits issued	185	180	213	221	250	267	303	288	226	217
<i>Library</i>										
Number of volumes/materials	103,346	111,461	118,501	106,432	107,963	120,508	116,455	118,413	120,185	114,202
Collection Use	372,643	410,083	430,370	430,803	438,058	448,803	408,506	402,591	412,874	420,978
<i>Water Utility</i>										
Gallons of water treated (MG)	1,410	1,366	1,473	1,560	1,428	1,194	1,232	1,225	1,218	1,177
Number of water consumers	6,213	6,252	6,510	6,467	6,554	6,485	6,410	6,432	7,023	7,327
Water main breaks	24	18	28	25	27	19	32	24	61	17
<i>Sewer Utility</i>										
Gallons of wastewater treated (MG)	715	710	720	698	667	718	730	717	542	590
Average daily use (MG)	1,959	1,945	1,963	1,914	1,826	1,982	1,996	1,935	1,488	1,604
<i>Solid Waste</i>										
Commercial accounts	453	430	450	486	537	552	571	589	600	617
Residential	4,442	4,422	4,469	4,542	4,548	4,574	4,746	4,991	5,111	5,153
Cubic yards refuse hauled	20,399	21,400	21,966	24,288	23,584	24,826	25,146	26,145	25,510	24,300
<i>Public Transit</i>										
Passengers	490,582	583,622	629,573	613,621	583,756	472,943	470,703	478,358	359,368	373,845
Cost per trip (dollars)	\$ 6.38	\$ 3.68	\$ 3.59	\$ 3.29	\$ 2.59	\$ 4.64	\$ 4.95	\$ 4.47	\$ 6.54	\$ 3.77

Sources: Various City departments and from December Department Monthly Reports

City of Durango, Colorado
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Public Safety</i>										
Number of police vehicles	33	34	36	37	37	37	38	39	39	39
<i>Public Works</i>										
Miles of streets	74.90	74.90	74.90	74.90	74.90	74.90	77.15	77.15	77.15	77.15
<i>Parks and Recreation</i>										
Parkland-developed acres	174.09	174.09	174.09	175.69	175.69	193.67	193.67	197.61	197.61	197.46
Parkland-undeveloped acres	111.43	111.43	112.17	112.55	112.55	109.85	109.85	108.07	108.07	108.07
Open space acres	2,245.00	2,639.00	2,724.00	2,867.45	3,001.08	3,001.63	3,004.98	4,994.33	4,994.33	4,994.44
Number of play grounds	19	19	19	19	19	19	19	22	22	22
<i>Library</i>										
Number of libraries	1	1	1	1	1	1	1	1	1	1
<i>Water Utility</i>										
Miles of water lines	134.62	134.62	134.62	135.60	136.00	137.00	145.60	146.38	146.38	149.19
<i>Sewer Utility</i>										
Miles of sewer lines	96.13	96.13	96.13	100.00	101.50	101.50	104.70	107.05	107.05	107.05
<i>Parking</i>										
Number of parking lots	4	4	4	4	4	4	4	4	4	4
<i>Solid Waste</i>										
Transfer station	1	1	1	1	1	1	1	1	1	1
Recycling center	1	1	1	1	1	1	1	1	1	1
<i>Public Transit</i>										
Number of buses	15	16	13	16	16	16	16	16	13	13



COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT				City or County:	
				YEAR ENDING : December 2019	
This Information From The Records of CITY OF Durango			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)	217,782		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,505,286		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations	1,841,106	b. Snow and ice removal	707,264		
3. Other local imposts (from page 2)	1,549,217	c. Other	367,181		
4. Miscellaneous local receipts (from page 2)	196,449	d. Total (a. through c.)	1,074,445		
5. Transfers from toll facilities		4. General administration & miscellaneous	21,000		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	180,000		
a. Bonds - Original Issues		6. Total (1 through 5)	2,998,513		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	276,377		
7. Total (1 through 6)	3,586,772	b. Redemption	980,000		
B. Private Contributions		c. Total (a. + b.)	1,256,377		
C. Receipts from State government (from page 2)	735,315	2. Notes:			
D. Receipts from Federal Government (from page 2)	7,861	a. Interest			
E. Total receipts (A.7 + B + C + D)	4,329,948	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	1,256,377		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	4,254,890		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	11,070,000		980,000	10,090,000	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		4,329,948	4,254,890		75,058
Notes and Comments:					

FORM FHWA-536 (Rev. 1-05)

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	
1. Sales Taxes	1,256,377	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	292,840	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.)	1,549,217	h. Other County Road & Bridge	196,449
c. Total (a. + b.)	1,549,217	i. Total (a. through h.)	196,449
	(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	668,725	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	66,590	d. Federal Transit Admin	
d. Other (Specify) -		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal Safe Routes to Schools	7,861
f. Total (a. through e.)	66,590	g. Total (a. through f.)	7,861
4. Total (1. + 2. + 3.f)	735,315	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		217,782	217,782
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	217,782	217,782
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	217,782	217,782
			(Carry forward to page 1)
Notes and Comments:			

FORM FHWA-536 (Rev.1-05)