



City of Fountain, Colorado

Comprehensive Annual Financial Report

Year ended December 31, 2019

Vision Statement:

“The City of Fountain will honor its small town America heritage, promote a high quality of life for its citizens and provide managed community growth in a safe, secure and stable manner”

Table of Contents

	Page
Introductory Section	
Letter of Transmittal	i
Directory of City Officials	v
City Organizational Chart	vi
GFOA Certificate of Achievement	vii
Financial Section	
Independent Auditor's Report	viii
Management's Discussion and Analysis	x
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	1
Statement of Activities	2
<i>Governmental Funds</i>	
Balance Sheet	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
<i>Proprietary Funds</i>	
Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Net Position	8
Statement of Cash Flows	9
<i>Pension Trust Fund</i>	
Statement of Fiduciary Net Position	10
Statement of Changes in Net Position	11
<i>Notes to Financial Statements</i>	12-46
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances —Budget and Actual General Fund	47-48
Schedule of Changes in Net Pension Liability and Related Ratios— Volunteer Firefighters' Pension Plan	49
Schedules of Proportionate Share of the Net Pension Liabilities and Related Ratios – Statewide Defined Benefit Plan, Statewide Hybrid Plan, and Postemployment Benefit Plan	50
Schedules of Employer Contributions – Statewide Defined Benefit Plan, Statewide Hybrid Plan, and Postemployment Benefit Plan	51

Other Supplementary Information

Combining, Individual Fund Financial Statements and Schedules

Nonmajor Governmental Funds –

Combining Balance Sheet	52-53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	54-55

Schedule of Revenues, Expenditures and Changes in Fund Balances

—Budget and Actual – Governmental Funds

Conservation Trust Fund	56
Heritage Maintenance District Fund	57
General Improvement Districts Fund	58
Volunteer Fire Fund	59
Public Transportation Fund	60
Street Resurfacing Fund	61
Street Improvements Fund	62

Combining, Individual Fund Financial Statements and Schedules

Nonmajor Enterprise Funds –

Combining Statement of Net Position	63
Combining Statement of Revenues, Expenditures, and Changes in Net Position	64
Combining Statement of Cash Flows	65

Schedule of Revenues, Expenditures and Changes in Fund Balances

—Budget and Actual – Proprietary Funds

Water Fund	66
Electric Fund	67
Ambulance Fund	68
Drainage Fund	69
Insurance Fund	70

Statistical Section

<i>Table of Contents</i>	71
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Financial Trends

Net Position by Component	72
Changes in Net Position	73-74
Fund Balances – Governmental Funds	75
Changes in Fund Balances – Governmental Funds	76

Revenue Capacity

Assessed Value and Estimated Actual Value of Taxable Property	77
Direct and Overlapping Property Tax Rates	78
Principal Property Tax Payers	79
General Fund Revenues – Taxes by Category	80
Sales Tax by Category	81
Direct and Overlapping Sales Tax Rates	82
General Fund Property Tax Levies and Collections	83
Water Revenues	84
Electric Revenues	85

Debt Capacity

Ratios of Outstanding Debt by Type	86
Ratios of Water Fund Debt Outstanding	87
Direct and Overlapping Debt	88

Demographic and Economic Information

Largest Employers	89
Demographic and Economic Statistics	90

Operating Information

Full-Time Equivalent City Government Employees by Function/Program	91
Capital and Operating Indicators by Function/Program	92

Compliance Section

State Compliance

Local Highway Finance Report	93-94
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TRANSMITTAL LETTER

July 30, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the City of Fountain, Colorado, for the fiscal year ended December 31, 2019, is hereby transmitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not outweigh the benefits, the City's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements.

The City is required by Colorado law to have an annual audit conducted in accordance with generally accepted auditing standards by an independent certified public accountant licensed to practice in Colorado. The City must then submit the audit report to the Office of the State Auditor.

The City's financial statements have been audited by Haynie & Company, a licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended December 31, 2019 are free from material misstatements. The independent audit involves 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 City's financial statements for the fiscal year ended December 31, 2019 are presented fairly and in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented on the first page of the financial section of this report.

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

City Profile

The City of Fountain, Colorado, incorporated in 1903, is located on Colorado's Rocky Mountain Front Range, 10 miles south of Colorado Springs. The City occupies 22.08 square miles and serves a population of approximately 30,735.

The City is, by Charter, a Home Rule City with a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the mayor and six other members who are elected by and answer to the citizens of Fountain. A City Manager is appointed by the City Council to run the day-to-day operations of the City.

The City of Fountain provides a full range of services including police, fire, and emergency medical services, street and drainage maintenance, economic development, water and electric utilities, bus transit, parks & recreation, and general administrative services. The Fountain Urban Renewal Authority is a separate legal entity but is reported in the City's financial statement as a component unit.

Local Economy

The largest employer in the Fountain area is Fort Carson with 31,000 military, civilian employees and contractors. The City continues to grow its business commercial base with a diversification among prime employer industries:

- Manufacturing
- Transportation & Logistics
- Motorsports
- Homeland Security
- Renewable Energy

The unemployment rate in the Fountain area has historically been less than the national average due, in part to a growing State economy and its large military presence. The unemployment rate for 2019 was 3.1%, lower than the national average of 3.7% and near full-term employment levels.

Construction of new housing and commercial starts in 2019 totaled 131 which is a 32.8% decrease from the 2018 total of 174. However, several large developments are in the early planning stages, a forerunner of anticipated rapid growth, similar to what is being experienced by other Colorado, front-range, metropolitan areas. For the first five months of 2020, year over year sales tax revenue is approximately 15% higher. Both sales and use tax revenues are above 2020 budgeted projections.

Long-term Financial Planning

In 2008, the City Council embarked on the process of developing the City's first Strategic Plan. The purpose of the endeavor was to help develop a focused vision and mission for the City organization that would be achievable through specific goals and actions of the City Departments. In 2018, the City embarked on a new, updated Strategic Planning process

designed to narrow the focus of the City to four (4) Strategic Priorities, and develop appropriate goals and objectives tied directly to those priorities. Published in February of 2019, the developed Strategic Priorities are as follows:

Strategic Priority: Improve the conditions of City-wide transportation infrastructure in order to support enhanced road safety, encourage economic development and improve traffic flow, focused principally on major City transportation corridors, then residential areas.

Strategic Priority: The City will take necessary steps to develop, coordinate and implement initiatives and programs that improve citizen access to telecommunications technology and capabilities.

Strategic Priority: The City will re-assess the distribution of public safety resources and develop, coordinate, and implement necessary plans and initiatives to ensure equal access to such services throughout the City's jurisdiction.

Strategic Priority: Complete necessary coordination and initiate plans to improve the availability of venues which support a variety of community activities, to include athletics, recreation, youth programs, and gatherings. Whenever possible, pursue funding for these activities that leverage a variety of resourcing opportunities, minimizing cost to the Community.

The Strategic Plan serves as a guide for allocating financial resources in the preparation of the biennial budget document. With the biennium beginning January 1, 2011, the City embarked on preparing biennial budgets; however, the City still adopts an annual operating budget of revenues and expenditures for the following year in accordance with State Statute and the City Charter. Included as a part of the City's budget process, the City prepares a five year summary financial plan for the major funds. The plan encompasses both revenue projections and operating and capital expenditures.

Major Initiatives

The City of Fountain is a partner, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District in the Southern Delivery System (SDS) regional project, which is designed to deliver water through a 53 mile pipeline from Pueblo Reservoir to Upper Williams Creek Reservoir and the SDS Water Treatment plant located east of Colorado Springs. This project is operational and water is flowing as of May 1, 2017. The City's share of the \$753 million project cost is \$43 million. The City will capitalize its share of ownership in this project.

During 2019, the City's Electric and Water utilities issued \$19 million of bonds to fund a number of utility improvements, including a joint operations and maintenance building, electric transmission lines, an electric substation, water system improvements and other various improvements. This project modernizes and provides additional space for anticipated growth in utilities demands.

In 2019, the City of Fountain agreed to partner with the Fort Carson Army Garrison on an Inter-governmental Support Agreement (IGSA), with the City agreeing to become a facilitator of pest control services on the military installation, beginning in 2020. Under this 10 year agreement, the City will manage the provision of pest control services on the base, and in return will collect reimbursement for overhead expenses and a service fee. In addition to the new revenue stream the City will gain in the General Fund through this agreement, the ISGA also serves to demonstrate the strong relationship between the community and Fort Carson, which is an increasingly important consideration in Department of Defense basing and other civil-military programs decisions.

Awards and Acknowledgements

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the City of Fountain for the fiscal year ended December 31, 2018. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The COVID-19 pandemic that has had global impacts since the first part of this year has created challenges for us as we worked to complete the audit this year. However, we wish to specifically acknowledge our auditors, Haynie & Company for the assistance and guidance they provided in the preparation of the CAFR and for the professional manner in which they conducted the audit. We would additionally like to acknowledge and thank our entire Finance team and specifically, Shawna Dail, who worked diligently to ensure that we could pull together all the necessary information for a quality audit.

We would also like to recognize the Mayor and City Council for their support and continued desire to ensure the highest standards of professionalism in the management of the City's financial affairs.

Respectfully submitted,



Scott Trainor
City Manager



John Lewis
Finance Director

CITY COUNCIL



Gabriel Ortega, Mayor

Ward: At Large
Term Expires: 11/2021



Sam Gieck, Council Member

Ward: #3
Term Expires: 11/2021



Sharon Thompson, Council Member

Ward: #1
Term Expires: 11/2021



Greg Lauer, Mayor Pro-Tem

Ward: At Large
Term Expires: 11/2021



Tamara Estes, Council Member

Ward: #2
Term Expires: 11/2023



Richard Applegate, Council Member

Ward: At Large Term
Term Expires: 11/2023



Detra Duncan, Council Member

Ward: At Large
Term Expires: 11/2023

CITY STAFF

City Manager

Scott Trainor

City Clerk

Silvia Huffman

City Attorney

Troy Johnson

Court Administrator

Yanira Cruz-pagan

Deputy City Manager

Todd Evans

Economic Dev. Director

Kimberly Bailey

Public Safety Director/

Police Chief

Chris Heberer

HR Manager

IT Director

Planning Director

Utilities Director

Finance Director

Fire Chief

Cmnty. Eng. Manager

Janette Arellano

Lisa Kudryck-Godwin

Todd Evans

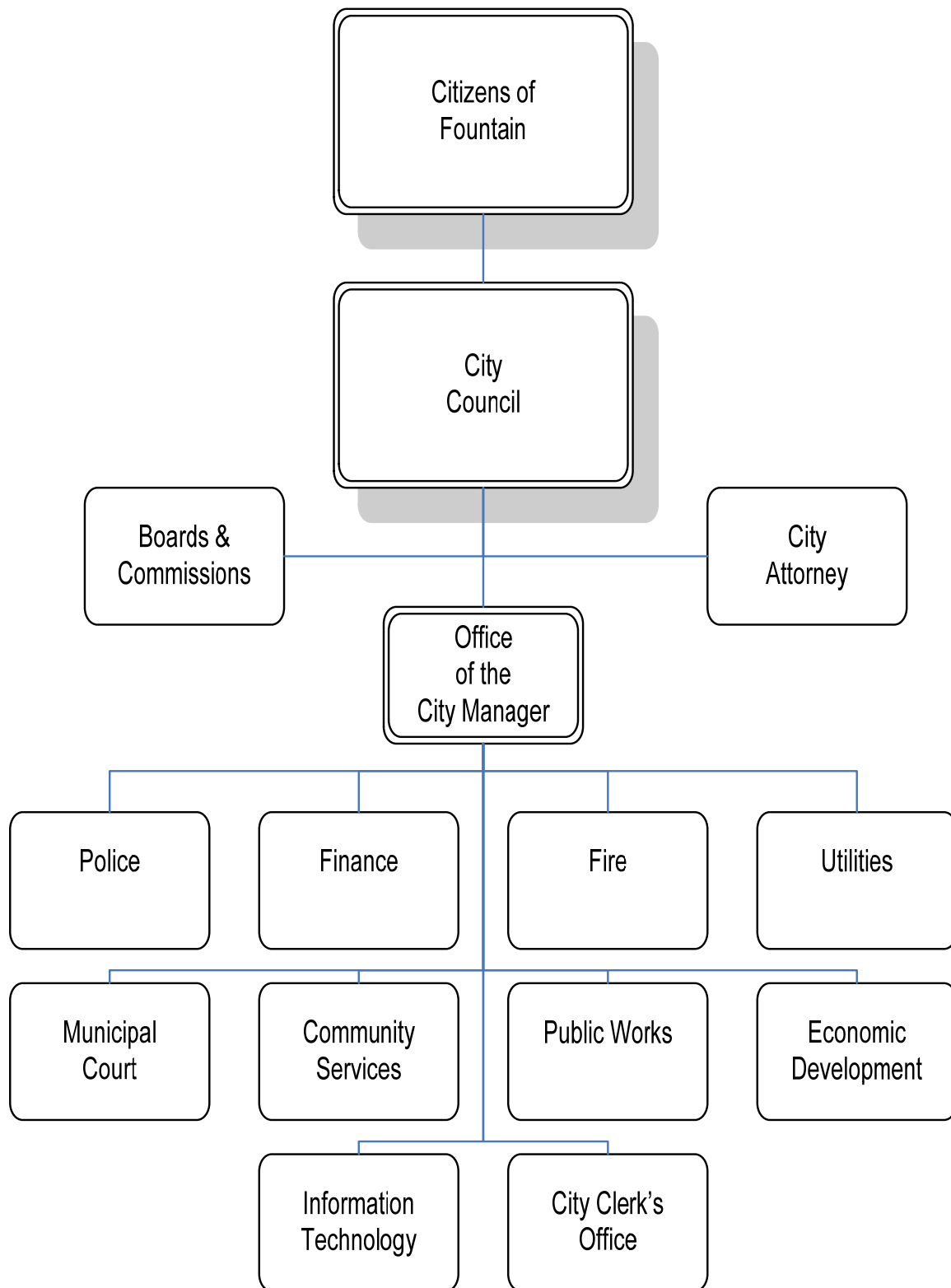
Curtis Mitchell

John Lewis

James Maxon

John Trylch

City Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Fountain
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

City of Fountain, Colorado

Financial Statements and Independent Auditor's Report

December 31, 2019



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

Independent Auditor's Report

Honorable Mayor and the City Council
City of Fountain, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fountain, Colorado, as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the City of Fountain, Colorado'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

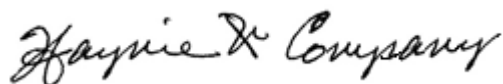
Other-Matters*Required Supplementary Information*

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

Other Information

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

The introductory section, statistical section and Local Highway Finance Report 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 this report.

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
July 30, 2020

**City of Fountain, Colorado
Management's Discussion and Analysis
December 31, 2019**

MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis of the City of Fountain's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the City's financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- The assets and deferred outflows of the City of Fountain exceeded its liabilities and deferred inflows at the close of 2019 by \$186 million (net position). Of this amount, \$26.3 million (unrestricted net position) may be used to pay the City's obligations to citizens and creditors.
- At December 31, 2019, the City of Fountain's governmental funds reported combined ending fund balance for restricted and unrestricted of \$13.6 million, an increase of approximately \$652 thousand in comparison with the prior year. This increase was primarily due to the decreases in hail damage repairs from two major hail storms in 2018 and decreases in street improvement capital costs. Approximately \$8.4 million of the unrestricted net position is available for spending at the government's discretion.
- The unrestricted, unassigned fund balance for the General Fund was \$5.1 million, or 23.6% of the total General Fund expenditures, compared to \$5.3 million or 24.2% for fiscal year 2018. An additional \$675,461 of fund balance in the General Fund is restricted by the State of Colorado for emergencies.
- Sales Tax, the City's largest source of General Fund revenue, was \$12 million for 2019 as compared to \$10.8 million for the prior year, an increase of 10.7%.
- Use tax revenue decreased by \$1.8 million to \$2 million in 2019 due to the decrease in construction materials purchased in 2018 to repair hail damaged buildings in Fountain.
- Deferred outflows for the City of Fountain increased by \$3.1 million and deferred inflows increased by \$1.3, primarily due to changes in pension and OPEB valuations and a small increase in property taxes.
- New long-term debt of \$19 million was acquired by the City in 2019 for utility capital needs. After payments on debt, long term debt for both governmental and business-type activities increased by \$17.5 million during 2019.

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Fountain's basic financial statements. The City of Fountain's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Fountain that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the City of Fountain include General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation and Interest Expense. The Business-type Activities of the City of Fountain include Water, Electric, Ambulance, and Drainage. Also included in the government-wide financial statements is the Fountain Urban Renewal Authority (FURA). FURA is legally separate from the city, however the members of the governing board are appointed by the City Council. FURA is categorized as a discretely presented component unit rather than a part of the primary government. FURA's financial information is, therefore, presented in a separate column in the government-wide financial statements.

Fund Financial Statements

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

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include the general fund and eight special revenue funds. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of cash, the governmental fund operations and the basic services it provides.

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

Proprietary funds – The *enterprise fund* type of proprietary funds is used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as cash flow. Fountain's proprietary funds include the water and electric utilities, the ambulance and drainage funds and the insurance fund, which is an internal service fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Fiduciary funds-Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The volunteer fire pension is Fountain's only fiduciary fund. Fiduciary

funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-46 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This supplementary information can be found on pages 47-70 of this report. The City of Fountain's progress in funding its obligation to provide pension benefits to volunteer fire fighters is located on page 49 of this report. The Schedule of Funding Progress Postemployment Benefit Plan is located on page 50. The Budgetary Comparison Schedule for the General Fund and other required supplementary information can be found on pages 47-51

Supplementary information, including the combining statements, referred to earlier in connection with non-major Governmental Funds and Enterprise Funds, are presented immediately following the required supplementary information on pensions and the General Fund. Combining and individual fund statements and schedules can be found on pages 52-70.

Financial Analysis of the City as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fountain, assets exceeded liabilities by \$186 million at the close of 2019, a change of \$3 million from the end of 2018.

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
				<u>(restated)</u>		<u>(restated)</u>
Current and other assets	\$ 20,971	\$ 21,664	\$ 29,825	\$ 15,335	\$ 50,796	\$ 36,999
Capital assets	75,101	76,314	143,336	135,926	218,437	212,240
Total assets	96,072	97,978	173,161	151,261	269,233	249,239
Deferred outflows of resources	3,853	674	870	919	4,723	1,593
Long-term liabilities outstanding	6,718	6,693	65,822	46,739	72,540	53,432
Other liabilities	4,280	5,993	7,535	6,246	11,815	12,239
Total liabilities	10,998	12,686	73,357	52,985	84,355	65,671
Deferred inflows of resources	3,875	2,589	-	-	3,875	2,589
Net position:						
Net investment in capital assets	68,477	69,745	77,346	89,901	145,823	159,646
Restricted	5,214	4,853	8,358	217	13,572	5,070
Unrestricted	11,360	8,779	14,971	9,077	26,331	17,856
Total net position	\$ 85,051	\$ 83,377	\$ 100,675	\$ 99,195	\$185,726	\$182,572

The largest portion of the City of Fountain's net position (78.5%) is reflected in the net investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

A small portion of the City of Fountain's net position (7.3%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (\$26.3 million) may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Position (in thousands)

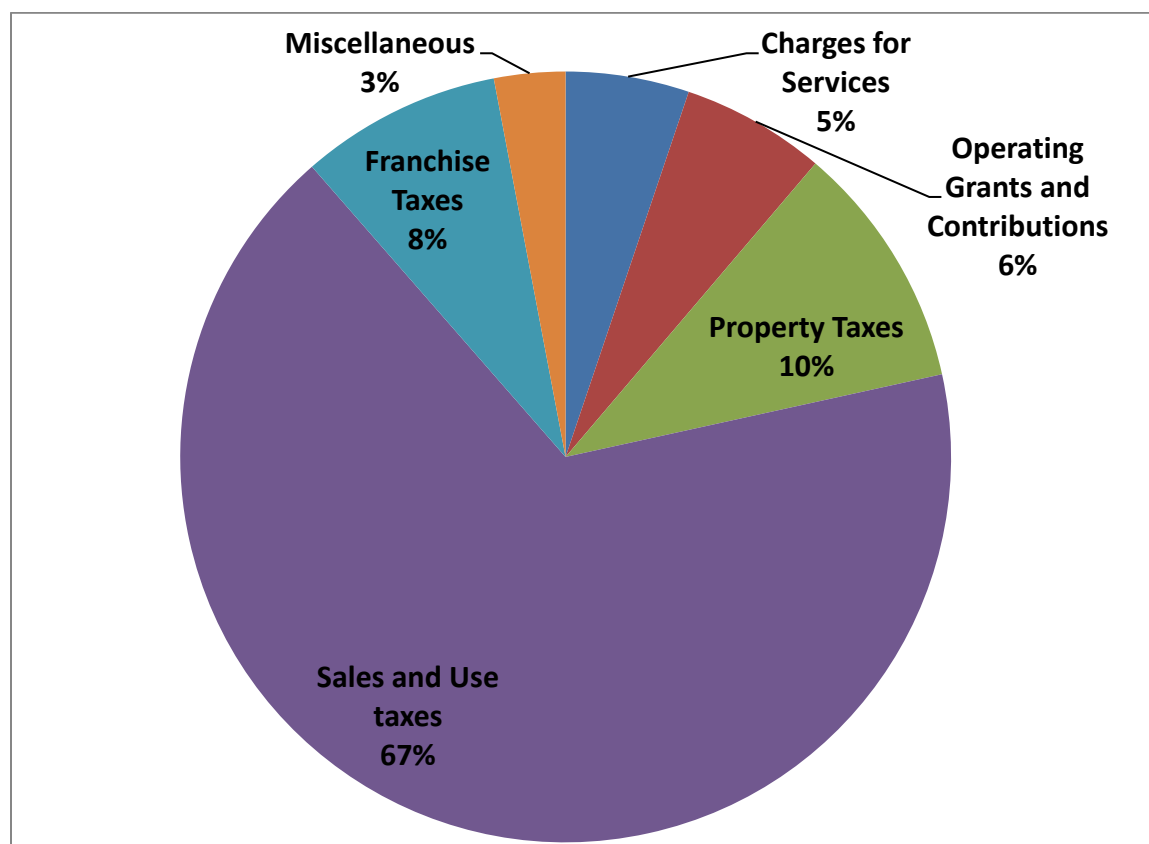
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018 (restated)	2019	2018 (restated)
Revenues:						
Program Revenues:						
Charges for services	\$ 1,309	\$ 1,421	\$ 34,891	\$ 35,466	\$ 36,200	\$ 36,887
Operating grants and contributions	1,529	1,407	25	174	1,554	1,581
Capital grants and Contributions	-	-	1,168	1,926	1,168	1,926
General Revenues:						
Property taxes	2,317	2,304	-	-	2,317	2,304
Sales and use taxes	16,940	17,314	-	-	16,940	17,314
Spec. Own. taxes	295	298	-	-	295	298
Intergovernmental	-	-	-	-	-	-
Franchise taxes	2,134	2,095	-	-	2,134	2,095
Other revenues	923	2,591	1,810	4	2,733	2,595
Investment earnings	254	141	386	151	640	292
Total revenues	<u>25,701</u>	<u>27,571</u>	<u>38,280</u>	<u>37,721</u>	<u>63,981</u>	<u>65,292</u>
Program expenses:						
General government	5,762	8,695	-	-	5,762	8,695
Public Safety	11,424	10,995	-	-	11,424	10,995
Public Works	4,572	4,002	-	-	4,572	4,002
Health and welfare	398	398	-	-	398	398
Culture and recreation	1,325	1,071	-	-	1,325	1,071
Interest expense	126	270	-	-	126	270
Water utility	-	-	9,335	8,547	9,335	8,547
Electric utility	-	-	26,605	25,342	26,605	25,342
Ambulance	-	-	1,280	1,226	1,280	1,226
Drainage	-	-	-	-	-	-
Total expenses	<u>23,607</u>	<u>25,431</u>	<u>37,220</u>	<u>35,115</u>	<u>60,827</u>	<u>60,546</u>
Excess/(Deficiency) Before transfers	2,094	2,140	1,060	2,606	3,154	4,746
Transfers In (Out)	<u>(420)</u>	<u>(416)</u>	<u>420</u>	<u>416</u>	<u>-</u>	<u>-</u>
Increase/(Decrease) in net position	1,674	1,724	1,480	3,022	3,154	4,746
Net position, beginning	\$ 83,377	\$ 81,653	\$ 99,195	\$ 96,173	\$ 182,572	\$ 177,999
Net position, ending	\$ 85,051	\$ 83,377	\$ 100,675	\$ 99,195	\$ 185,726	\$ 182,572

The major changes to the City's Governmental Activities and Business-type funds are described in the next two sections.

Governmental Activities

Governmental activities net position for 2019 increased by \$1,674,000. This is attributed to the increase in combined sales and use tax revenues.

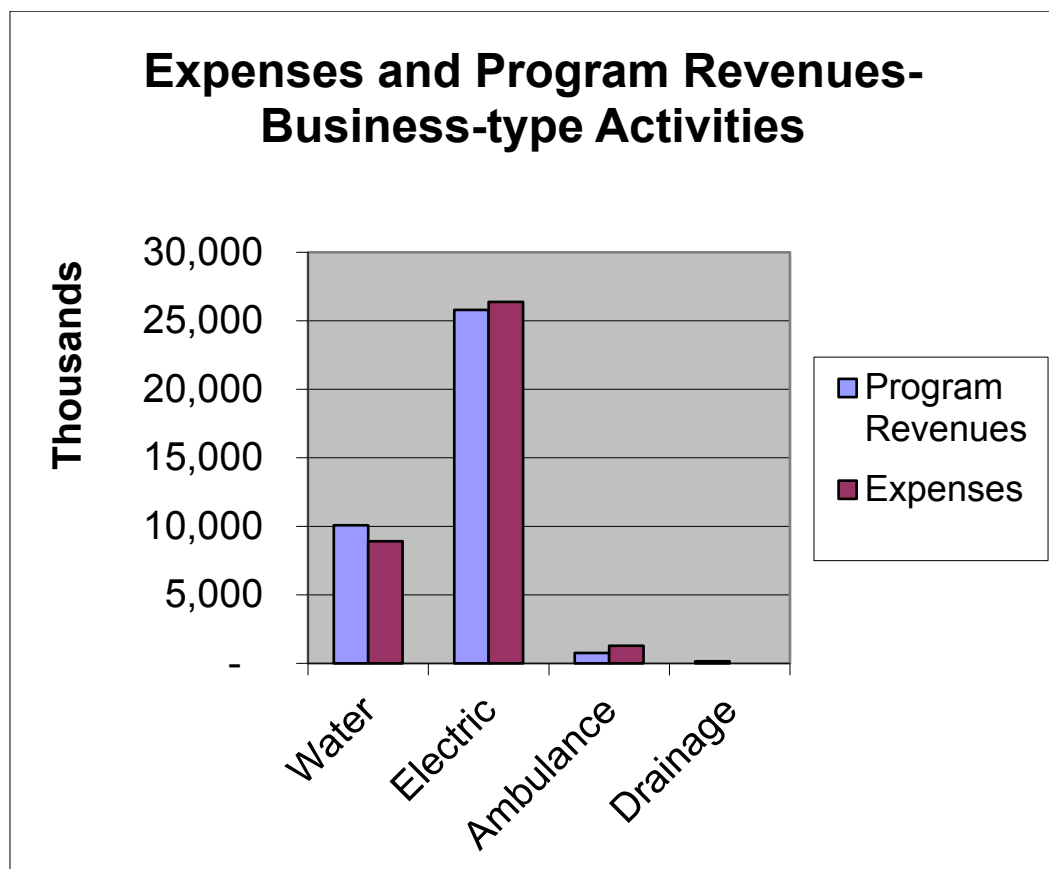
The following pie chart illustrates the Governmental Activities revenues.



- Revenue from general fund sales tax of \$12 million increased \$1.2 million or 10.7% over 2018 due to several new businesses, including internet retailers, and continued growth in the South Academy Highlands annexation.
- Revenue from the voter approved .75% Public Transportation sales tax, which was effective January 1, 2010, generated \$998,018 for public transit; \$598,811 for street resurfacing; and \$1,397,225 for street improvements or a total of \$3.26 million and a 20% increase over 2018.
- Revenue from use tax is \$1.8 million and approximately \$2 million less than 2018, primarily due to construction materials purchased in 2018 to repair hail damaged buildings after two very destructive hail storms in the summer of 2018.
- Miscellaneous revenue decreased by \$1.7 million, primarily from a decrease in insurance proceeds for the damages to City property caused by the two hail storms in 2018, that also resulted in the use tax revenue increase discussed above.

Business-type Activities

The City of Fountain 2019 business-type activities net position increased by \$1.5 million. The following chart illustrates the business-type activities program revenues and expenses.



- Combined 2019 revenue of \$38.3 million was approximately \$560 thousand greater than 2018 total revenue.
 - Water charges for services, including system development fees, of \$10.9 million increased approximately \$1.3 million from 2018
 - Electric charges for services, including system development fees, increased by approximately \$900 thousand over 2018
 - Capital grants and contributions in water and electric decreased by \$584 thousand from 2018 and they decreased in ambulance by \$174 thousand from 2018.
- Program expense of \$37.2 million was approximately \$2.1 million more than 2018.
 - Water increased by \$788 thousand due to increases in operating and system maintenance expenses.
 - Electric increased by approximately \$1.3 million, primarily due to increased source of supply costs

Fiduciary Activities

The City of Fountain maintains a fiduciary fund to account for money designated to pay benefits under the City's Volunteer Fire Pension Plan.

Financial Analysis of the City's Funds

The City of Fountain uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the City's financing requirements.

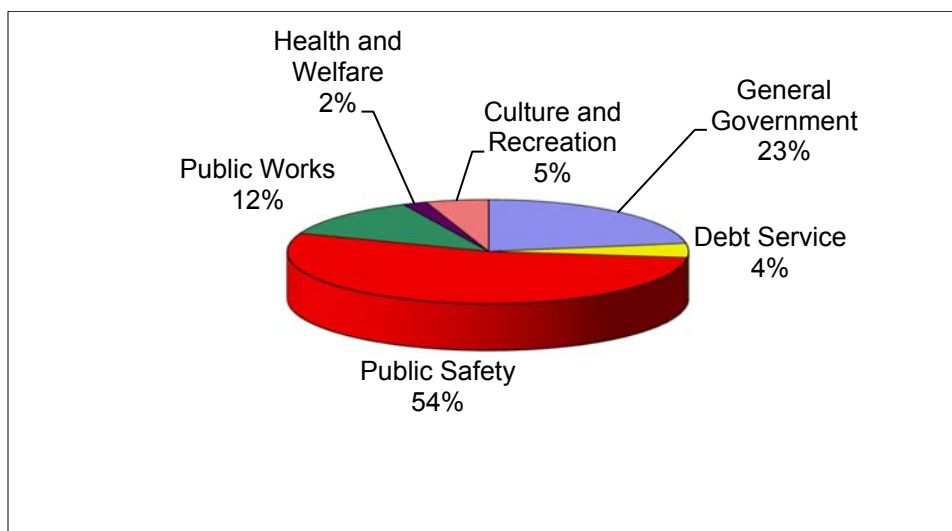
The City's General Fund reported a 2019 ending fund balance of \$8.9 million, an increase of \$291 thousand in comparison with the previous year. Unrestricted, unassigned fund balance, which is available for spending at the City's discretion, totaled \$5.1 million or 57.5% of the total general fund balance. The remainder of the fund balance is restricted for emergencies (\$675,461), committed to park improvements, school zone improvements, and traffic signals (\$1,264,076 combined), and assigned to public safety capital improvements (\$1,659,654).

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. Unrestricted net position of the water and electric utilities, the two largest proprietary funds, were (\$8.4) million and \$20.9 million, respectively.

General Fund Budgetary Highlights

The General Fund accounts for all of the general government services provided by the City of Fountain including: City Council, Municipal Court, Economic Development, Election, Administration, Planning & Engineering, Recreation, and Information Technology. The following pie chart illustrates the General Fund expenditures by type.



Line item budget transfers are allowed within a fund with the approval of the City Manager. Increases in the expenditure budget for any fund must be approved by the City Council. The General Fund original budgeted expenditures (including transfers out) were \$23.8 million. Budget amendments presented to, and approved by, the City Council for 2019, totaled approximately \$1.6 million. The final budget was, therefore, \$25.4 million in 2019.

Variances from the final budget to actual expenditures worth noting include the following:

- General government variance was \$1.26 million under budget primarily due to inter-fund transfers decreasing general government share of information technology expenditures.
- Public Safety variance was \$773 thousand under budget due primarily to cost savings in salaries and benefits and to capital projects that were started but not completed in 2019.
- Public Works variance was \$551 thousand under budget due to cost savings and to delays of certain purchases into 2020.
- The total positive budget variance in expenditures in the General Fund, including transfers out, approximated \$400 thousand.
- Positive variances in general fund revenues totaled \$1.6 million.

Capital Assets and Debt Administration

Capital Assets

The City of Fountain's investment in capital assets for its governmental and business- type activities, not including pension assets, as of December 31, 2019 totaled \$217.7 million (net of accumulated depreciation). This investment in capital assets includes land and easements, water and storage rights, buildings and improvements, infrastructure, machinery and equipment, computers and software, and vehicles. The City's investment in capital assets increased by \$6.6 million during 2019; governmental activities decreased by \$790 thousand while business-type activities increased by \$7.4 million.

Major capital events for 2019 included the following items:

- The General Fund expended \$121,760 on computer equipment & software upgrades, \$180,675 on machinery & equipment, and \$429,100 on new police vehicles and streets tandem dump trucks.
- The major capital events for the water utility included \$106,230 on computer equipment & software upgrades to complete the new Customer Service Northstar Database and to purchase new MDTs for the Water Field Crews and \$1,607,000 in infrastructure improvements for meter and tap saddle replacements, and new interconnect mains.
- The electric utility expended \$1,022,000 on computer equipment & software upgrades to complete the new Customer Service Northstar & Smartworks databases and \$644,500 on infrastructure improvements, primarily for new service installation and overhead and underground system upgrades.
- The Street Capital Improvement fund expended \$361,000 in various intersection improvements.

Note 4 on pages 22-23 of the financial statements provides a detailed summary of the City's capital assets.

Long-term Debt

The City of Fountain's total long-term debt increased by \$18.3 million from \$55.8 million to \$74.1 million during the year ended 2019.

The City's long-term debt related to governmental activities decreased during 2019 by \$1.3 million. Compensated absences decreased by \$339,632, capital leases decreased by \$908,605, and the early retirement program decreased by \$80,000.

The City's long-term debt related to business-type activities increased by \$19.6 million to \$68.2 million during 2019. Compensated absences and early retirement increased by \$105,920 net of additions. All other business-type activities debt increased by \$19.5 million with the issuance of the new revenue bonds of \$19 million, carrying a \$2.2 million premium and net of payments of \$1,651,618.

Note 5 on pages 23-28 of the financial statements provide a detailed summary on the City's long-term debt.

Economic Factors and Next Year's Budget and Rates

Financial indicators and the impact of COVID-19:

- The average unemployment rate for 2019 for the Colorado Springs area was 3.1%, which was lower than the national rate of 3.7%. This rate was down from 2018, which was 3.9%, indicating that employment growth is strong. Employment growth in 2019 was 2.1% in the Colorado Springs area which is good in light of a year-end unemployment rate of only 2.8%. In 2019, the website Wallethub.com indicated that the Colorado Springs area was the 5th best place in the country to find a job. Although this has abated somewhat with the COVID-19 pandemic, the current unemployment rate of 9.7% is still less than the national average of 11.1%.
- The prices of homes in 2019 rose almost 8.8% in the Colorado Springs area and are forecast to rise another 5.5% in 2020.
- Sales tax revenue continued to increase in 2019 due to the South Academy Highlands Sam's and Walmart developments, along with several new businesses in other sections of the City and the growth in national online retailers. Sales taxes were forecast to continue growing in 2020 due to those increases and particularly those involved with internet sales that, prior to 2019, did not previously remit sales taxes.
- Although the COVID-19 pandemic has decreased revenue projections for many municipalities, it does not appear to be negatively impacting the City of Fountain as of the date of this report. The business mix within the City of Fountain does not include a large number of the types of businesses that have been most negatively impacted by the pandemic. We have few dine-in restaurants and no shopping malls. Our big box stores such as Walmart, Sam's Club and Lowes and our fast food restaurants appear to have minimal, if any, negative impacts. In addition, online retailers have increased their sales over last year. The City is, therefore, continuing to anticipate growth in sales tax revenue in 2020 over 2019.

- New construction in Fountain in 2019 included 123 new housing starts, and 8 new commercial buildings, which together constitute an 11% decrease from 2018. However, several large developments are in the early planning stages and similar to other areas along the front range of Colorado, the City of Fountain is anticipating rapid growth over the next 10 years.
- Property taxes are forecast to rise only minimally in 2020 and increase by about 10% in 2021.
- A water rate increase of 4% for the average residential customer using 6,000 gallons was implemented beginning June 10, 2019 and an additional 4% increase was implemented on March 1, 2020.
- Electric utility rates were increased 3% effective January 1, 2019. The City of Fountain Electric Utility executed a wholesale power agreement with Guzman Energy on May 12, 2020, which provides significant savings on energy purchased. Due to the new wholesale power agreement and capital improvement projects, the utility contracted with JK Energy Consulting to perform a re-assessment of electric rates. Once recommendations of the study are presented, the effective date of rate change is January 1, 2021.

All of the above indicators were considered in preparing and adopting the City of Fountain 2020 budget. Budgeted line items were kept mostly flat from 2019 expenditures with the exceptions of capital investment purchases. In the General Fund, the exceptions included certain investments in capital items for technology, fire equipment and street improvements and resurfacing. In the Water and Electric Funds, large expenditures are planned for completion of a joint utility building and infrastructure required to match the anticipated growth in the City due to the strong economic factors impacting the region.

The above economic indicators were also considered in our reaction to adapting to our initial fears of negative impacts of the pandemic. General Fund departments have held off on spending over \$1.2 million in budgeted expenses in response to possible but not probable declines in revenue. As mentioned above, our business base mix has continued to provide the revenues as forecast in our 2020 budget and, therefore, the potential cuts in spending will probably not be necessary.

Requests for Information

This financial report is designed to provide a general overview of the City of Fountain's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or additional financial information should be addressed to the Finance Director:

City of Fountain
116 South Main Street
Fountain, CO 80817
719-322-2033

Basic Financial Statements

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

	PRIMARY GOVERNMENT			COMPONENT UNIT URBAN RENEWAL AUTHORITY
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash and cash equivalents	\$ 15,081,648	\$ 7,558,931	\$ 22,640,579	\$ 290,686
Committed cash and investments	-	1,072,906	1,072,906	-
Restricted cash and cash equivalents	500,759	13,099,185	13,599,944	11,858,148
Accounts and other receivables	3,230,971	4,252,426	7,483,397	81,857
Grants receivable	541,859	-	541,859	-
Taxes receivable	2,731,524	-	2,731,524	614,710
Inventories	-	2,726,153	2,726,153	-
Prepaid expenses	-	-	-	7,610
Internal balances	(1,115,498)	1,115,498	-	-
Capital assets, not being depreciated	7,250,150	87,470,767	94,720,917	1,582,612
Capital assets, net of accumulated depreciation	67,153,234	55,865,544	123,018,778	1,388,577
Net pension asset	697,251	-	697,251	-
TOTAL ASSETS	<u>96,071,898</u>	<u>173,161,410</u>	<u>269,233,308</u>	<u>15,824,200</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on refunding	-	869,842	869,842	305,176
Deferred outflows related to pension	3,834,922	-	3,834,922	-
Deferred outflows related to OPEB	18,020	-	18,020	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,852,942</u>	<u>869,842</u>	<u>4,722,784</u>	<u>305,176</u>
LIABILITIES				
Accounts payable	1,254,902	3,212,539	4,467,441	22,188
Accrued liabilities	373,560	260,671	634,231	-
Deposits	1,021,008	952,885	1,973,893	1,350
Accrued interest payable	-	772,661	772,661	1,307,765
Insurance claims payable	244,889	-	244,889	-
Long-term liabilities:				
Due within one year	1,386,074	2,335,761	3,721,835	-
Due in more than one year	4,540,546	65,822,167	70,362,713	49,693,996
Net OPEB liability	1,135,013	-	1,135,013	-
Net pension liability	1,042,411	-	1,042,411	-
TOTAL LIABILITIES	<u>10,998,403</u>	<u>73,356,684</u>	<u>84,355,087</u>	<u>51,025,299</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	1,123,319	-	1,123,319	-
Deferred inflows related to OPEB	20,259	-	20,259	-
Unearned revenues	-	-	-	950
Property taxes	2,731,524	-	2,731,524	140,229
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,875,102</u>	<u>-</u>	<u>3,875,102</u>	<u>141,179</u>
NET POSITION				
Net investment in capital assets	68,476,764	77,345,853	145,822,617	1,642,193
Restricted for:				
Parks	437,786	-	437,786	-
District Repairs and Maintenance	1,176,145	-	1,176,145	-
Transportation	1,576,647	-	1,576,647	-
Street Repairs and Maintenance	111,586	-	111,586	-
Street Improvements	1,236,771	-	1,236,771	-
Capital Projects	-	8,357,595	8,357,595	6,895,137
Emergencies	675,461	-	675,461	-
Unrestricted	11,360,175	14,971,120	26,331,295	(43,574,432)
TOTAL NET POSITION	<u>\$ 85,051,335</u>	<u>\$ 100,674,568</u>	<u>\$ 185,725,903</u>	<u>\$ (35,037,102)</u>

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

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

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	Primary Government		COMPONENT UNIT
						BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government								
Governmental activities:								
General Government	\$ 5,761,656	\$ 179,718	\$ -	\$ -	\$ (5,581,938)	\$ -	\$ (5,581,938)	\$ -
Public Safety	11,423,879	1,020,470	-	-	(10,403,409)	-	(10,403,409)	-
Public Works	4,572,294	22,945	1,200,842	-	(3,348,507)	-	(3,348,507)	-
Health and Welfare	398,325	9,320	43,844	-	(345,161)	-	(345,161)	-
Culture and Recreation	1,324,469	76,634	284,490	-	(963,345)	-	(963,345)	-
Interest and Related Costs	126,337	-	-	-	(126,337)	-	(126,337)	-
Total Governmental Activities	23,606,960	1,309,087	1,529,176	-	(20,768,697)	-	(20,768,697)	-
Business-Type Activities:								
Water	9,334,892	9,630,665	-	1,103,992	-	1,399,765	1,399,765	-
Electric	26,604,937	24,355,307	25,000	63,623	-	(2,161,007)	(2,161,007)	-
Ambulance	1,279,842	755,039	-	-	-	(524,803)	(524,803)	-
Drainage	-	149,685	-	-	-	149,685	149,685	-
Total Business-Type Activities	37,219,671	34,890,696	25,000	1,167,615	-	(1,136,360)	(1,136,360)	-
Total Primary Government	\$ 60,826,631	\$ 36,199,783	\$ 1,554,176	\$ 1,167,615	\$ (20,768,697)	\$ (1,136,360)	\$ (21,905,057)	\$ -
Component Unit								
Urban Renewal Authority	3,768,834	-	29,639	-	-	-	-	(3,739,195)
Total Component Unit	\$ 3,768,834	\$ -	\$ 29,639	\$ -	\$ -	\$ -	\$ -	\$ (3,739,195)
Taxes:								
Property taxes					\$ 2,316,627	\$ -	\$ 2,316,627	\$ 126,214
Sales and Use Taxes					16,940,313	-	16,940,313	-
Specific Ownership Taxes					295,021	-	295,021	-
Franchise taxes					2,134,383	-	2,134,383	-
Intergovernmental Revenues not								
Restricted to Specific Programs					-	(140,049)	(140,049)	3,398,223
Investment income					254,083	386,298	640,381	244,130
Loss on disposal of assets					(700,118)	-	(700,118)	-
Miscellaneous					1,622,651	1,949,633	3,572,284	36,459
Transfers					(420,597)	420,597	-	-
Total general revenues and transfers					22,442,363	2,616,479	25,058,842	3,805,026
Change in net position					1,673,666	1,480,119	3,153,785	65,831
NET POSITION, BEGINNING, as restated					83,377,669	99,194,449	182,572,118	(35,102,933)
NET POSITION, ENDING					\$ 85,051,335	\$ 100,674,568	\$ 185,725,903	\$ (35,037,102)

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

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

	GENERAL FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 7,268,452	\$ 4,829,228	\$ 12,097,680
Restricted cash and cash equivalents	500,759	-	500,759
Accounts and other receivables	3,073,161	554,024	3,627,185
Property taxes receivable	<u>2,443,474</u>	<u>288,050</u>	<u>2,731,524</u>
TOTAL ASSETS	<u>\$ 13,285,846</u>	<u>\$ 5,671,302</u>	<u>\$ 18,957,148</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 521,721	\$ 722,828	\$ 1,244,549
Accrued liabilities	350,931	8,363	359,294
Deposits	<u>1,021,008</u>	<u>-</u>	<u>1,021,008</u>
TOTAL LIABILITIES	<u>1,893,660</u>	<u>731,191</u>	<u>2,624,851</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	<u>2,443,474</u>	<u>288,050</u>	<u>2,731,524</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,443,474</u>	<u>288,050</u>	<u>2,731,524</u>
FUND BALANCES			
Restricted for:			
Parks	-	437,786	437,786
District Repairs and Maintenance	-	1,176,145	1,176,145
Transportation	-	1,576,647	1,576,647
Street Repairs and Maintenance	-	111,586	111,586
Street Improvements	-	1,236,771	1,236,771
Emergencies	675,461	-	675,461
Committed to:			
Park Improvements	966,532	-	966,532
School Zone	89,544	-	89,544
Traffic Signal	208,000	-	208,000
Volunteer Fire Activities	-	113,126	113,126
Assigned to Public Safety Capital Improvements	1,859,654	-	1,859,654
Unassigned	<u>5,149,521</u>	<u>-</u>	<u>5,149,521</u>
TOTAL FUND BALANCES	<u>8,948,712</u>	<u>4,652,061</u>	<u>13,600,773</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 13,285,846</u>	<u>\$ 5,671,302</u>	<u>\$ 18,957,148</u>

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

City of Fountain, Colorado

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2019

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

Total fund balance - governmental funds	\$ 13,600,773
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Capital assets	148,069,573
Accumulated depreciation	(73,666,189)
Net capital assets	74,403,384

The deferred outflows below are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows related to pension	3,834,922
Deferred inflows related to OPEB	(2,239)
Deferred inflows related to pension	(1,123,319)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at year end consist of:

Capital leases	(4,829,711)
Net pension asset	697,251
Net pension liability	(1,042,411)
Net OPEB liability	(1,135,013)
Early retirement	(124,000)
Compensated absences	(972,909)
Total long-term liabilities	(7,406,793)

An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position.

	1,744,607
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Total net position - governmental activities	\$ 85,051,335
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City of Fountain, Colorado
Governmental Funds
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2019

	GENERAL FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
Taxes	\$ 18,426,576	\$ 3,259,768	\$ 21,686,344
Licenses and Permits	136,114	-	136,114
Charges for Services	663,440	23,446	686,886
Fines and Forfeitures	441,367	-	441,367
Intergovernmental	1,244,686	284,490	1,529,176
Investment Income	167,969	86,114	254,083
Miscellaneous	<u>1,435,203</u>	<u>39,691</u>	<u>1,474,894</u>
TOTAL REVENUES	<u>22,515,355</u>	<u>3,693,509</u>	<u>26,208,864</u>
EXPENDITURES:			
Current:			
General Government	4,887,688	692,616	5,580,304
Public Safety	11,189,551	85,855	11,275,406
Public Works	329,746	1,066,164	1,395,910
Health and Welfare	419,435	-	419,435
Culture and Recreation	1,060,861	119,159	1,180,020
Debt Service:			
Principal	652,260	72,601	724,861
Interest	307,917	2,164	310,081
Capital outlay	<u>2,956,172</u>	<u>1,294,212</u>	<u>4,250,384</u>
TOTAL EXPENDITURES	<u>21,803,630</u>	<u>3,332,771</u>	<u>25,136,401</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	711,725	360,738	1,072,463
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(420,597)</u>	<u>-</u>	<u>(420,597)</u>
NET CHANGE IN FUND BALANCE	291,128	360,738	651,866
FUND BALANCES, BEGINNING	<u>8,657,584</u>	<u>4,291,323</u>	<u>12,948,907</u>
FUND BALANCES, ENDING	<u><u>\$ 8,948,712</u></u>	<u><u>\$ 4,652,061</u></u>	<u><u>\$ 13,600,773</u></u>

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

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

Net change in fund balances - total governmental funds	\$ 651,866
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Capital outlays are reported in the governmental funds as an expenditure; however, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay.

Depreciation expense	(4,383,404)
Capital outlay	4,295,104
Net amount	(88,300)

Payments of long-term debt principal are expenditures in governmental funds, but the payments reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This amount represents payments on capital leases during the current year

908,605

Some revenues/expenses reported in the statement of activities do not require the receipt/use of current financial resources and, therefore, are not reported as revenues/expenditures in the governmental funds.

Loss on disposal of assets	(700,118)
OPEB Expense	(418,465)
Pension Income	752,689
Accrued compensated absences	339,631
Early Retirement	80,000

An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in governmental activities in the statement of activities

147,758

Change in net position - governmental activities

\$ 1,673,666

City of Fountain, Colorado

Proprietary Fund Statement of Net Position December 31, 2019

ASSETS	Business-Type Activities				Governmental Activities
	Water	Electric	Nonmajor	Total	Internal Service Fund
Current Assets:					
Cash and investments	\$ -	\$ 6,133,480	\$ 1,425,451	\$ 7,558,931	2,983,968
Committed cash and investments	-	1,072,906	-	1,072,906	-
Restricted cash and investments	8,357,595	4,741,590	-	13,099,185	-
Accounts receivable	1,437,891	2,812,365	2,170	4,252,426	145,645
Inventories	546,188	2,179,965	-	2,726,153	-
Interfund receivables	46,411	8,128,507	-	8,174,918	-
Total Current Assets	<u>10,388,085</u>	<u>25,068,813</u>	<u>1,427,621</u>	<u>36,884,519</u>	<u>3,129,613</u>
Non-Current Assets:					
Capital assets, not being depreciated	83,312,088	4,158,679	-	87,470,767	-
Capital assets, net of accumulated depreciation	24,556,782	30,967,668	341,094	55,865,544	-
Advance to (from) other funds	(181,404)	181,404	-	-	-
Total Non-Current Assets	<u>107,687,466</u>	<u>35,307,751</u>	<u>341,094</u>	<u>143,336,311</u>	<u>-</u>
TOTAL ASSETS	<u>118,075,551</u>	<u>60,376,564</u>	<u>1,768,715</u>	<u>180,220,830</u>	<u>3,129,613</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding, net of accumulated amortization	<u>869,842</u>	<u>-</u>	<u>-</u>	<u>869,842</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	912,846	2,274,077	25,616	3,212,539	10,353
Accrued liabilities	72,647	155,655	32,369	260,671	14,266
Customer deposits	127,436	825,449	-	952,885	-
Accrued interest payable	692,946	79,715	-	772,661	-
Interfund payables	8,174,918	-	-	8,174,918	-
Insurance claims payable	-	-	-	-	244,889
Compensated absences payable	143,470	289,048	47,984	480,502	-
Early retirement payable	11,600	16,400	-	28,000	-
Capital leases payable	30,456	197,688	-	228,144	-
Agreement payable	-	-	14,115	14,115	-
Bonds and loans payable	<u>1,405,000</u>	<u>180,000</u>	<u>-</u>	<u>1,585,000</u>	<u>-</u>
Total Current Liabilities	<u>11,571,319</u>	<u>4,018,032</u>	<u>120,084</u>	<u>15,709,435</u>	<u>269,508</u>
Non-Current Liabilities:					
Compensated absences payable	58,210	289,425	7,278	354,913	-
Early retirement payable	19,600	49,600	-	69,200	-
Capital leases payable	25,420	339,593	-	365,013	-
Agreement payable	-	-	23,015	23,015	-
Bonds and loans payable	<u>52,512,771</u>	<u>12,497,255</u>	<u>-</u>	<u>65,010,026</u>	<u>-</u>
Total Non-Current Liabilities	<u>52,616,001</u>	<u>13,175,873</u>	<u>30,293</u>	<u>65,822,167</u>	<u>-</u>
TOTAL LIABILITIES	<u>64,187,320</u>	<u>17,193,905</u>	<u>150,377</u>	<u>81,531,602</u>	<u>269,508</u>
NET POSITION					
Net investment in capital assets	54,790,485	22,251,404	303,964	77,345,853	-
Restricted for capital projects	8,357,595	-	-	8,357,595	-
Unrestricted	<u>(8,390,007)</u>	<u>20,931,255</u>	<u>1,314,374</u>	<u>13,855,622</u>	<u>2,860,105</u>
TOTAL NET POSITION	<u>\$ 54,758,073</u>	<u>\$ 43,182,659</u>	<u>\$ 1,618,338</u>	<u>\$ 99,559,070</u>	<u>\$ 2,860,105</u>

Amounts reported for Business-Type Activities in the Statement of Net Position are different because:

An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the assets and liabilities of the internal service fund is included in business-type activities in the statement of net position.

	1,115,498
Total Net Position Business-Type Activities	<u>\$ 100,674,568</u>

City of Fountain, Colorado

Proprietary Fund Statement of Revenues, Expenditures and Changes in Net Position For the Year Ended December 31, 2019

	Business-Type Activities				Governmental Activities Internal Service Fund
	Water	Electric	Nonmajor	Total	
OPERATING REVENUES					
Charges for services	\$ 9,630,665	\$ 24,355,307	\$ 904,724	\$ 34,890,696	4,069,837
Grant revenue	-	25,000	-	25,000	-
Miscellaneous	443,472	1,411,693	-	1,855,165	-
TOTAL OPERATING REVENUES	<u>\$ 10,074,137</u>	<u>\$ 25,792,000</u>	<u>\$ 904,724</u>	<u>\$ 36,770,861</u>	<u>\$ 4,069,837</u>
OPERATING EXPENSES					
Source of supply	2,040,977	14,923,604	-	16,964,581	-
Operations and maintenance	2,455,660	4,419,553	1,202,622	8,077,835	-
Customer accounts and collection	702,256	1,781,329	-	2,483,585	-
Administration and general	2,359,896	3,625,895	-	5,985,791	89,100
Insurance premiums	-	-	-	-	985,421
Insurance claims	-	-	-	-	2,813,344
Depreciation	1,352,569	1,629,343	77,220	3,059,132	-
TOTAL OPERATING EXPENSES	<u>8,911,358</u>	<u>26,379,724</u>	<u>1,279,842</u>	<u>36,570,924</u>	<u>3,887,865</u>
OPERATING INCOME (LOSS)	<u>1,162,779</u>	<u>(587,724)</u>	<u>(375,118)</u>	<u>199,937</u>	<u>181,972</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	77,790	281,980	26,528	386,298	60,254
Interest expense	(423,534)	(225,213)	-	(648,747)	-
Gain (loss) on sale of assets	(26,723)	(113,326)	-	(140,049)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(372,467)</u>	<u>(56,559)</u>	<u>26,528</u>	<u>(402,498)</u>	<u>60,254</u>
INCOME (LOSS)					
BEFORE CONTRIBUTIONS AND TRANSFERS	790,312	(644,283)	(348,590)	(202,561)	242,226
Transfers in	-	-	420,597	420,597	-
System development fees	1,103,992	63,623	-	1,167,615	-
CHANGE IN NET POSITION	1,894,304	(580,660)	72,007	1,385,651	242,226
NET POSITION, BEGINNING OF YEAR, as restated	<u>52,863,769</u>	<u>43,763,319</u>	<u>1,546,331</u>	<u>98,173,419</u>	<u>2,617,879</u>
NET POSITION, END OF YEAR	<u>\$ 54,758,073</u>	<u>\$ 43,182,659</u>	<u>\$ 1,618,338</u>	<u>\$ 99,559,070</u>	<u>\$ 2,860,105</u>

Amounts reported for Business-Type Activities in the Statement of Activities are different because:

Change in Net Position of Business-Type Activities

1,385,651

An internal service fund is used by management to charge the costs of health insurance to individual funds. A portion of the net income of the internal service fund is included in business-type activities in the statement of activities.

94,468

Total Change in Net Position of Business-Type Activities

\$ 1,480,119

City of Fountain, Colorado
Proprietary Fund
Statements of Cash Flows
For the Year Ended December 31, 2019

	Business-Type Activities				Governmental Activities
	Water	Electric	Nonmajor Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 9,928,916	\$ 24,572,482	\$ 921,368	\$ 35,422,766	\$ 3,979,695
Cash payment from other	-	1,436,693	-	1,436,693	-
Cash paid to employees	(2,116,353)	(2,034,510)	(963,889)	(5,114,752)	53,945
Cash paid for goods and services	(5,243,361)	(22,239,720)	(228,179)	(27,711,260)	(3,888,099)
NET CASH FROM OPERATING ACTIVITIES	<u>2,569,202</u>	<u>1,734,945</u>	<u>(270,700)</u>	<u>4,033,447</u>	<u>145,541</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	4,201,578	-	420,597	4,622,175	-
Transfers out	-	(4,201,578)	-	(4,201,578)	-
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	<u>4,201,578</u>	<u>(4,201,578)</u>	<u>420,597</u>	<u>420,597</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	4,875	-	-	4,875	-
Capital expenditures	(6,482,213)	(4,127,357)	-	(10,609,570)	-
Debt proceeds	8,473,337	12,710,005	-	21,183,342	-
System development fees	1,103,992	63,623	-	1,167,615	-
Interest paid on capital leases and bonds	(519,265)	(178,617)	-	(697,882)	-
Principal paid on capital leases and bonds	(1,267,246)	(186,001)	-	(1,453,247)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,313,480</u>	<u>8,281,653</u>	<u>-</u>	<u>9,595,133</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	77,790	281,980	26,528	386,298	60,254
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>77,790</u>	<u>281,980</u>	<u>26,528</u>	<u>386,298</u>	<u>60,254</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,162,050	6,097,000	176,425	14,435,475	205,795
CASH AND CASH EQUIVALENTS					
Beginning of Year	<u>217,500</u>	<u>5,850,976</u>	<u>1,249,026</u>	<u>7,317,502</u>	<u>2,778,173</u>
End of Year	<u>\$ 8,379,550</u>	<u>\$ 11,947,976</u>	<u>\$ 1,425,451</u>	<u>\$ 21,752,977</u>	<u>\$ 2,983,968</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,162,779	\$ (587,724)	\$ (375,118)	\$ 199,937	\$ 181,972
Depreciation	1,352,569	1,629,343	77,220	3,059,132	-
Change in accounts receivable, net	(145,221)	217,175	16,644	88,598	(90,142)
Change in inventory	(91,401)	21,392	-	(70,009)	-
Change in accounts payable and accrued expenses	208,496	386,504	28,289	623,289	(234)
Increase (Decrease) in deposits	4,311	46,601	-	50,912	-
Change in deferred outflows	48,720	(119)	-	48,601	-
Change in insurance claims payable	-	-	-	-	53,945
Change in compensated absences payable	40,549	21,773	(17,735)	44,587	-
Change in early retirement payable	(11,600)	-	-	(11,600)	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 2,569,202</u>	<u>\$ 1,734,945</u>	<u>\$ (270,700)</u>	<u>\$ 4,033,447</u>	<u>\$ 145,541</u>

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

City of Fountain, Colorado
Statement of Fiduciary Net Position
Pension Trust Fund
December 31, 2019

	<u>TOTAL</u>
ASSETS	
Cash	\$ 6,252
Investments	
Local Government Investment Pools	471,543
Money Market Funds	<u>237,565</u>
TOTAL ASSETS	<u>715,360</u>
 NET POSITION	
Restricted for Pension Benefits	
TOTAL NET POSITION	<u><u>\$ 715,360</u></u>

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

City of Fountain, Colorado
Statement of Changes in Net Position
Pension Trust Fund
For the Year Ended December 31, 2019

Additions	Total
Investment income	<u>\$ 11,329</u>
TOTAL Additions	<u>11,329</u>
 Deductions	
Administration	<u>4,975</u>
TOTAL Deductions	<u>4,975</u>
 CHANGE IN NET POSITION	 6,354
 NET POSITION, BEGINNING OF YEAR	 <u>709,006</u>
 NET POSITION, END OF YEAR	 <u>\$ 715,360</u>

City of Fountain, Colorado

Notes to Financial Statements

December 31, 2019

1. Summary of Significant Accounting Policies

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

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the City. Based on the application of these criteria, the City includes the following entities in its reporting entity.

The *Heritage Maintenance District* was established to maintain landscaping, fencing, drainage facilities, and other improvements within its boundaries. The *General Improvement District No. 1* was created to provide for the construction of a fire station, and after funding the fire station, for capital improvements including life safety improvements, park and recreational improvements, regional street improvements, and regional civic and cultural improvements. The *General Improvement District No. 2* was created to provide an alternate method of funding the construction, re-construction, and maintenance of certain public improvements within its boundaries. The City Council serves as the governing board for these districts and City management has operational responsibility for the districts. Therefore, their financial activity is blended into the City's financial statements. Separate financial statements are not issued.

The *Fountain Urban Renewal Authority* (the Authority) was created to redevelop or rehabilitate certain blighted areas within the City. The Authority has a separate governing board with members appointed by the City Council. Although the Authority is legally separate from the City, the Authority's primary revenue source, tax increment financing, can only be established by the City. The Authority is discretely presented in the City's financial statements. Separate financial statements for the Authority are available at City Hall, 116 South Main Street, Fountain, Colorado 80817.

City of Fountain, Colorado

Notes to Financial Statements (continued)

December 31, 2019

1. Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

In the fund financial statements, the City reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

The City also reports the following major enterprise funds:

Water Utility - This fund accounts for all activities necessary for the provision of water services to the City residents.

Electric Utility - This fund accounts for all activities necessary to provide electric power to the City residents.

Additionally, the City reports the following fund types:

Internal Service Fund - The Insurance Fund accounts for the activities related to employee health benefits, which are partially self-insured by the City.

Pension Trust Fund - The Pension Trust Fund is used to account for assets held by the City in a trustee capacity for the City's volunteer firefighters pension plan.

Budgetary Accounting

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- In September, management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

- Prior to December 31, the budget is legally adopted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council. State statutes stipulate that expenditures may not exceed budgeted appropriations at the fund level.
- Budgets are legally adopted for all funds of the City. Fiduciary fund budgets have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All appropriations lapse at year end.

For the year ended December 31, 2019, expenditures of the Volunteer Fire Fund, Street Resurfacing Fund, Ambulance Fund and Internal Service Fund, exceeded the budgeted amounts by \$34,955, \$7,293, \$34,223 and \$307,065, respectively. These may be violations of State statutes.

Assets, Liabilities and Net Position/Fund Balance

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

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories - Inventories of the proprietary funds are valued using the average cost method, and are reported as expenses when consumed. Materials and supplies purchased by the governmental funds are charged to operations when purchased.

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

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables* when they are short-term in nature. Noncurrent portions of interfund receivables and payables are reported as *advances from other funds* and *advances to other funds*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

City of Fountain, Colorado

Notes to Financial Statements (continued)

December 31, 2019

1. Summary of Significant Accounting Policies (continued)

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure assets owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	10 - 40 years
Infrastructure	25 - 40 years
Computers and Software	3 - 7 years
Machinery and Equipment	5 - 10 years
Vehicles	5 - 7 years

Unearned Revenues - Unearned revenues in the Electric Fund represent donations from customers that may be used to assist other customers with their utility bills.

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

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time up to 320 hours at their current pay rate, and for unused sick time, depending on years of service, up to 720 hours at a percentage of their current rate of pay. Employees hired after March 1, 2006, will be paid for all accrued vacation time up to 240 hours and for unused sick time, depending on years of service, up to 360 hours at a percentage of their current rate of pay.

These compensated absences are expensed when earned in the proprietary funds and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Postemployment Benefits - An employee with at least 20 years of service with the City, and who has reached at least 55 years of age at retirement, is eligible to receive health and life insurance coverage after retirement. This benefit expires when the retiree reaches the age of 65, thereby making the maximum eligibility period 10 years. A long-term liability is reported in the government-wide financial statements as the postemployment benefits are earned.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

Early Retirement - During the year ended December 31, 2013, the City offered early retirement benefits to qualified employees. In lieu of receiving postemployment health and life insurance coverage after retirement, the employees will receive annual payments of \$12,000 for nine years or until the employee reaches age 65. At December 31, 2014, this offer was closed to further participation. A long-term liability is reported in the government-wide financial statements and the proprietary funds in the fund financial statements when the early retirement benefits are accepted by the employee and approved by the City.

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums, discounts, and refunding losses are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Pensions - The City participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan, a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). In addition, the City maintains a single-employer defined benefit pension plan for volunteer firefighters.

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from each plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employee contributions are recognized in the year the contributions are due.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the governmental fund financial statements, the City Council establishes a fund balance commitment through passage of an ordinance, and is authorized to informally assign amounts to a specific purpose.

The City Council has established the ideal target reserves at 40% of the current operating budget of the General Fund. The reserves should not be allowed to fall below 20% of the current operating budget, including the emergency reserve required by the Tabor Amendment (See Note 11).

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

1. Summary of Significant Accounting Policies (continued)

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted fund balances first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following December for collection in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

2. Cash and Investments

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

Petty Cash	\$ 3,498
Deposits	24,864,957
Investments	<u>12,444,974</u>
Total	<u>\$ 37,313,429</u>

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

Cash and Investments	\$ 22,640,579
Committed Cash and Investments	1,072,906
Restricted Cash and Investments	<u>13,599,944</u>
Total	<u>\$ 37,313,429</u>

Deposits

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

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

2. Cash and Investments (continued)

Investments

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The City's investment policy does not further limit these investment choices.

Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, US territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market funds, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with other certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. These trusts are "Colotrust" and "CSAFE".

At December 31, 2019, the District had the following investments reported as cash and cash equivalents:

Investment Type	Rating	Investment Maturities (in Years)		
		Less than 1	1 to Less than 5	Total
Local Government Investment Pools	AAAm	\$ 745,927	\$ -	\$ 745,927
Money Market Funds	Not Rated	3,284,260	-	3,284,260
U.S. Agency Securities	AA+	-	5,739,276	5,739,276
Municipal Securities	A+	-	512,690	512,690
Corporate Securities	AA-	-	2,162,821	2,162,821
Total		\$ 4,030,187	\$ 8,414,787	\$ 12,444,974

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

2. Cash and Investments (continued)

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. The U.S. Agency, municipal, and corporate securities were measured utilizing quoted prices in active markets for similar investments (Level 1 inputs). The local government investment pools and money market funds were reported at the net asset value per share.

Interest Rate Risk - State statutes limit investments to an original maturity of five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years. Corporate securities must mature within three years.

Credit Risk - State statutes limit investments in municipal securities to those with at least two credit ratings at or above A or its equivalent by nationally recognized statistical rating organizations (NRSROs). Corporate securities must have at least two credit ratings from any of the NRSROs at or above AA- or its equivalent. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer of U.S. Agency or municipal securities. Corporate securities are limited to fifty percent of the total investment portfolio and five percent for a single issuer. At December 31, 2019, the City's investments in the Exxon Mobil Corporation represented 13% of the City's total investments.

Custodial Credit Risk - At December 31, 2019, the City's investments in U.S. Agency, municipal, and corporate securities, and certain money market funds were held by the counterparty (broker), but not in the City's name.

Local Government Investment Pools - At December 31, 2019, the City had \$5,245 and \$740,682 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. Both Trusts are rated AAAM by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

2. Cash and Investments (continued)

Committed Cash and Investments

Beginning January 1, 2006, the City committed to use system development fees and water acquisition fees received by the Water Fund exclusively for growth-related capital improvements and purchases of water rights. In addition, system development fees collected by the Electric Fund are committed for the construction of a new substation. The remaining cash and investments at December 31, 2019, of \$1,072,906 were reported as committed cash and investments in the Electric Fund.

Restricted Cash and Investments

Lease proceeds of \$500,759 and \$713,080 are restricted in the General and Electric Funds, respectively, for capital projects. Loan proceeds of \$8,357,595 and \$4,028,510 are restricted in the Water and Electric Funds, respectively, for debt reserves.

3. Interfund Balances and Transactions

Interfund Balances

In August 2010, the Electric Fund advanced \$1,500,000 to the Water Fund to purchase water rights. The Water Fund is required to repay the advance through annual payments of \$189,568, including interest accruing at 4.5% per annum, through 2020. The outstanding balance of the advance at December 31, 2019, was \$181,404.

In October 2009, the Electric Fund advanced \$2,000,000 to the Water Fund to purchase water rights. The Water Fund is required to repay the advance through annual payments of \$252,758, including interest accruing at 4.5% per annum, through 2019. The outstanding balance of the advance was paid off during 2019.

Interfund Transfers

During the year ended December 31, 2019, the General Fund transferred \$420,597 to the Ambulance Fund. The General Fund routinely subsidizes the operations of the Ambulance Fund.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

4. Capital Assets

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

	Balance December 31, 2018	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2019
Governmental Activities				
Capital assets, <i>not being depreciated</i> :				
Land and easements	\$ 1,874,166	\$ -	\$ -	\$ 1,874,166
Construction in progress	4,393,916	1,158,354	(176,286)	5,375,984
Total capital assets, <i>not being depreciated</i>	<u>6,268,082</u>	<u>1,158,354</u>	<u>(176,286)</u>	<u>7,250,150</u>
Capital assets, being depreciated:				
Buildings and improvements	10,953,014	385,364	(19,167)	11,319,211
Infrastructure	114,485,387	2,140,085	-	116,625,472
Computers and Software	1,170,638	121,760	(333,299)	959,099
Machinery and Equipment	5,195,009	191,958		5,386,967
Vehicles	8,589,197	429,149	(2,489,671)	6,528,675
Total capital assets, being depreciated	<u>140,393,245</u>	<u>3,268,316</u>	<u>(2,842,137)</u>	<u>140,819,424</u>
Less accumulated depreciation:				
Buildings and improvements	(3,890,472)	(509,501)	78,869	(4,321,104)
Infrastructure	(56,897,423)	(2,915,636)	-	(59,813,059)
Computers and Software	(809,936)	(143,296)	286,586	(666,646)
Machinery and Equipment	(4,271,619)	(226,519)	-	(4,498,138)
Vehicles	(5,600,074)	(588,452)	1,821,283	(4,367,243)
Total Accumulated Depreciation	<u>(71,469,524)</u>	<u>(4,383,404)</u>	<u>2,186,738</u>	<u>(73,666,190)</u>
Total capital assets, <i>being depreciated</i> , net	<u>68,923,721</u>	<u>(1,115,088)</u>	<u>(655,399)</u>	<u>67,153,234</u>
Capital assets, net	<u>\$ 75,191,803</u>	<u>\$ 43,266</u>	<u>\$ (831,685)</u>	<u>\$ 74,403,384</u>

Depreciation expense was charged to governmental programs of the City as follows:

General Government	\$ 180,608
Public Safety	791,789
Public Works	3,141,209
Health and Welfare	328
Culture and Recreation	269,470
Total	<u>\$ 4,383,404</u>

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

4. Capital Assets (continued)

	Balance December 31, 2018	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2019
Business-Type Activities				
Capital assets, <i>not being depreciated</i> :				
Land and easements	\$ 7,058,325	\$ -	\$ -	\$ 7,058,325
Water and Storage Rights	22,437,512	2,929,280	-	25,366,792
Construction in progress	<u>50,806,652</u>	<u>7,272,111</u>	<u>(3,033,113)</u>	<u>55,045,650</u>
Total capital assets, <i>not being depreciated</i>	<u>80,302,489</u>	<u>10,201,391</u>	<u>(3,033,113)</u>	<u>87,470,767</u>
Capital assets, being depreciated:				
Buildings and improvements	9,502,864	-	-	9,502,864
Infrastructure	74,907,561	2,252,005	-	77,159,566
Computers and Software	2,141,772	71,477	-	2,213,249
Machinery and Equipment	4,316,331	1,117,809	(500,780)	4,933,360
Vehicles	<u>3,565,794</u>	<u>-</u>	<u>(881,149)</u>	<u>2,684,645</u>
Total capital assets, being depreciated	<u>94,434,322</u>	<u>3,441,291</u>	<u>(1,381,929)</u>	<u>96,493,684</u>
Less accumulated depreciation:				
Buildings and improvements	(3,169,568)	(371,286)	-	(3,540,854)
Infrastructure	(28,515,022)	(1,957,429)	-	(30,472,451)
Computers and Software	(1,500,484)	(217,312)	-	(1,717,796)
Machinery and Equipment	(3,127,518)	(257,835)	420,660	(2,964,693)
Vehicles	<u>(2,498,342)</u>	<u>(255,270)</u>	<u>821,266</u>	<u>(1,932,346)</u>
Total Accumulated Depreciation	<u>(38,810,934)</u>	<u>(3,059,132)</u>	<u>1,241,926</u>	<u>(40,628,140)</u>
Total capital assets, <i>being depreciated</i> , net	<u>55,623,388</u>	<u>382,159</u>	<u>(140,003)</u>	<u>55,865,544</u>
Capital assets, net	<u>\$ 135,925,877</u>	<u>\$10,583,550</u>	<u>\$ (3,173,116)</u>	<u>\$ 143,336,311</u>

Depreciation expense was charged to business-type programs of the City as follows:

Water	\$ 1,352,569
Electric	1,629,343
Ambulance	<u>77,220</u>
Total	<u>\$ 3,059,132</u>

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

5. Long-Term Debt

Governmental Activities

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

	Balance at December 31, 2018	Additions	Payments	Balance at December 31, 2019	Due Within One Year
Capital Leases	\$ 5,738,316	\$ -	\$ (908,605)	\$ 4,829,711	\$ 678,471
Compensated Absences	1,312,541	769,620	(1,109,252)	972,909	639,603
Early Retirement	204,000	-	(80,000)	124,000	68,000
Total	<u>\$ 7,254,857</u>	<u>\$ 769,620</u>	<u>\$ (2,097,857)</u>	<u>\$ 5,926,620</u>	<u>\$ 1,386,074</u>

During 2012, the City entered into a lease purchase agreement for \$3,000,000 to build a new fire station and remodel the police building. During 2013, an additional \$218,000 was borrowed under the agreement to complete the projects. Interest payments are due semi-annually on March 1 and September 1, with interest accruing at 3.95% per annum. Principal payments are due annually on September 1, through September 2032. At December 31, 2019, capital assets of \$2,135,761, net of accumulated depreciation, were reported under this lease.

During 2014, the City entered into a lease agreement for \$609,300 to purchase vehicles and information technology equipment for the police department. The lease was paid off in September 2019. Interest accrues on the outstanding balance at 1.61% per annum. At December 31, 2019, capital assets of \$625,295 less accumulated depreciation of \$449,326 are reported under this lease.

During 2016, the City entered into a lease agreement for \$354,819 to purchase vehicles and related equipment to be used by governmental and enterprise funds. Monthly payments of \$6,167 are due under the lease agreement through August 2021. Interest accrues on the outstanding balance at 1.663% per annum. Capital assets of \$297,373 less accumulated depreciation of \$167,255 are reported under this lease. Lease payments totaling \$307,261 and \$3,904 will be made by the General and Public Transportation Funds, respectively. The remaining payments will be made by the Water and Electric Funds, in the amounts of \$12,777 and \$30,877, respectively.

During 2017, the City entered into a lease agreement for \$138,900 to purchase buses. Annual payments of \$36,340 are due under the lease agreement through August 2020. Interest accrues

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

5. Long-Term Debt (continued)

Governmental Activities (continued)

on the outstanding balance at 3.11% per annum. Capital assets of \$138,900 less accumulated depreciation of \$51,261 are reported under this lease.

During 2017, the City entered into a lease agreement for \$104,300 to purchase a police vehicle. Monthly payments of \$995 are due under the lease agreement beginning in January 2018, through December 2027. Interest accrues on the outstanding balance at 2.74% per annum. Capital assets of \$163,063 less accumulated depreciation of \$104,826 are reported under this lease.

During 2017, the City entered into a lease agreement for \$809,770 to purchase vehicles. Monthly payments of \$14,218 are due under the lease agreement through August 2027. Interest accrues on the outstanding balance at 2.07% per annum. Capital assets of \$797,880 less accumulated depreciation of \$308,174 are reported under this lease.

During 2017, the City entered into a lease agreement for \$482,518 to purchase a fire vehicle. Monthly payments of \$4,552 are due under the lease agreement through August 2027. Interest accrues on the outstanding balance at 2.52% per annum. Capital assets of \$482,518 less accumulated depreciation of \$75,058 are reported under this lease.

During 2017, the City used capital lease proceeds in the amount of \$1,000,000 and other City resources to finance improvements to the Lorraine Center. Principal is due annually beginning in September 2017, through 2032. Interest accrues on the outstanding balance at 3.15% per annum and is payable semi-annually in March and September. Capital assets of \$1,147,753 less accumulated depreciation of \$45,910 are reported as a result of this transaction.

During 2017, the City entered into a lease agreement for \$1,004,165 to improve the City buildings' energy performance. Principal and interest are due quarterly beginning in March 2018, through December 2032. Interest accrues on the outstanding balance at 2.72% per annum. Capital assets of \$458,587 less accumulated depreciation of \$99,360 are reported as a result of this transaction.

During 2017, the City entered into a lease agreement for \$451,200 to purchase information technology equipment. Annual payments of \$97,306 are due under the lease agreement with an initial payment due in January 2018, and annual payments thereafter beginning in September 2018, through 2021. Interest accrues on the outstanding balance at 3.92% per annum. Capital assets of \$324,024 less accumulated depreciation of \$129,610 are reported under this lease. Lease payments totaling \$69,768 will be made by the General Fund. The remaining payments will be made by the Water and Electric Funds, in the amounts of \$82,321 and \$139,829, respectively.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

5. Long-Term Debt (continued)

Governmental Activities (continued)

During 2017, the City entered into a lease agreement for \$713,080 to information technology equipment and vehicles. Principal and interest are due quarterly beginning in January 2018, through December 2022. Interest accrues on the outstanding balance at 0.2% per annum. Capital assets of \$34,445 less accumulated depreciation of \$9,841 are reported as a result of this transaction.

Following is a schedule of the future minimum lease payments under the governmental activities capital lease obligations.

<u>Year ending December 31,</u>	
2020	\$ 740,780
2021	675,844
2022	553,948
2023	439,812
2024	434,430
2025-2029	1,964,606
2030-2032	<u>1,036,030</u>
Total Minimum Lease Payments	<u>5,845,450</u>
Less: Interest Portion	<u>(1,015,739)</u>
Total Future Debt Payments	<u><u>\$ 4,829,711</u></u>

The liabilities for compensated absences, postemployment benefits, and early retirement are expected to be liquidated primarily with General Fund revenues.

Business-Type Activities

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

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

5. Long-Term Debt (continued)

Business-Type Activities (continued)

	Balance at December 31, 2018	Additions	Payments	Balance at December 31, 2019	Due Within One Year
2011 CWRPDA Loan	\$ 8,225,000	\$ -	\$ (210,000)	\$ 8,015,000	\$ 220,000
2013 CWRPDA Loan	10,435,000	-	(255,000)	10,180,000	265,000
Premium	453,529	-	(18,766)	434,763	-
2014 CWRPDA Loan	15,560,000	-	(450,000)	15,110,000	470,000
Premium	1,145,682	-	(44,207)	1,101,475	-
2015 Water Revenue Bonds	3,715,000	-	(90,000)	3,625,000	90,000
Premium	53,725	-	(1,990)	51,735	-
2016 Water Revenue Bonds	6,405,000	-	(235,000)	6,170,000	240,000
Premium	819,989	-	(41,694)	778,295	-
2019 Revenue Bonds	-	19,000,000	-	19,000,000	300,000
Premium	-	2,183,342	(54,584)	2,128,758	-
Agreement payable	37,130	-	-	37,130	14,115
Capital Leases	843,534	-	(250,377)	593,157	228,144
Compensated Absences	717,895	700,257	(582,737)	835,415	480,502
Early Retirement	108,800	-	(11,600)	97,200	28,000
Total	<u>\$ 48,520,284</u>	<u>\$ 21,883,599</u>	<u>\$ (2,245,955)</u>	<u>\$ 68,157,928</u>	<u>\$ 2,335,761</u>

During 2011, the City entered into a loan agreement for \$9,350,000 with the Colorado Water Resources and Power Development Authority (CWRPDA). Loan proceeds were used for construction of the Southern Delivery System (See Note 11) and phase I of the remodel of the future utilities customer service center. Interest payments are due semi-annually on February 1 and August 1. Principal payments are due annually on August 1, through 2041. Interest accrues at rates ranging from 2% to 5.4% per annum.

During 2013, the City entered into a loan agreement for \$12,640,000 with the CWRPDA. Loan proceeds were used for construction of the Southern Delivery System (See Note 11) and for additional costs to remodel the utilities customer service center. Interest payments are due semi-annually on March 1 and September 1. Principal payments are due annually on September 1, through 2043. Interest accrues at rates ranging from 2% to 5% per annum.

During 2014, the City entered into a loan agreement for \$16,900,000 with the CWRPDA. Loan proceeds were used for construction of the Southern Delivery System (See Note 11), purchase of water rights, replacement of old water mains, installation of a supervisory control and data acquisition system (SCADA), and to refund a portion of the 2005 CWRPDA loan. Interest payments are due semi-annually on March 1 and September 1. Principal payments are due annually on September 1, through 2044. Interest accrues at rates ranging from 2% to 5% per annum.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

5. Long-Term Debt (continued)

Business-Type Activities (continued)

During 2015, the City issued \$3,965,000 Water Revenue Bonds, Series 2015. Bond proceeds were used for construction of the Southern ` System (See Note 11). Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2045. Interest accrues at rates ranging from 3% to 3.625% per annum.

During 2016, the City issued \$7,150,000 Water Revenue Refunding Bonds, Series 2016. Bond proceeds were used to repay the balance of the 2009 CWRPDA Loan, originally issued for future water storage sites, and the acquisition of a customer service building. Interest accrues on the bonds at rates ranging from 2% to 4% per annum. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2038.

During 2019, the City issued \$19,000,000 Electric, Water and Wastewater Utility Revenue Bonds, Series 2019. Bond proceeds were used to fund various capital projects. Interest accrues on the bonds at rates ranging from 3% to 5% per annum. Interest payments are due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2039.

The Water Fund loans and bonds are payable solely from revenues of the City's utility system, which includes the Water and Electric Funds, after deduction of operating and maintenance costs, provided that revenues are limited to 50% of tap fee revenues. During the year ended December 31, 2019, net revenues of \$4,421,764 were available to pay annual debt service of approximately \$3,100,000.

Future debt service requirement of the outstanding bonds and loans at December 31, 2019 were as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,585,000	\$ 2,600,808	\$ 4,185,808
2021	1,735,000	2,545,758	4,280,758
2022	1,865,000	2,484,958	4,349,958
2023	2,040,000	2,410,672	4,450,672
2024	2,120,000	2,327,322	4,447,322
2025-2029	12,030,000	10,213,720	22,243,720
2030-2034	14,865,000	7,385,368	22,250,368
2035-2039	18,280,000	3,950,378	22,230,378
2040-2044	7,580,000	927,964	8,507,964
Total Future Debt Payments	<u>\$ 62,100,000</u>	<u>\$ 34,846,948</u>	<u>\$ 96,946,948</u>

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

5. Long-Term Debt (continued)

Business-Type Activities (continued)

During 2015, the City entered into a lease agreement for \$83,000 to purchase an ambulance. Monthly payments of \$1,235 are due under the lease agreement through July 2021. Interest accrues on the outstanding balance at 2.28% per annum. Capital assets of \$163,063 less accumulated depreciation of \$104,826 are reported under this lease.

During 2017, the City entered into a lease agreement for \$713,080 to purchase computer equipment, software and a vehicle. Monthly payments of \$12,594 are due under the lease agreement beginning in January 2018, through December 2022. Interest accrues on the outstanding balance at 2% per annum. Capital assets of \$729,165 less accumulated depreciation of \$72,314 are reported as a result of this transaction.

Following is a schedule of the future minimum lease payments required under the business-type activities capital lease obligations, including the equipment leases to be paid partially by the governmental activities.

<u>Year ended December 31,</u>	
2020	\$ 239,899
2021	231,823
2022	<u>151,130</u>
Total Minimum Lease payments	622,852
Less: Interest Portion	<u>(29,695)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 593,157</u></u>

6. Prior-period Restatement

In the Proprietary Water Fund, it was determined that prior-year prepaid expense was overstated by \$389,256. The beginning net position has been restated as follows:

Net Position as previously reported at December 31, 2018:	\$ 53,253,025
Prepaid expense not amortized in prior period	<u>(389,256)</u>
Net position as restated, January 1, 2019	<u><u>\$ 52,863,769</u></u>

City of Fountain, Colorado

Notes to Financial Statements (continued)

December 31, 2019

7. Joint Venture

The City is a participant in the Fountain Valley Authority which was formed to construct and operate a water treatment plant. Participants in the Authority are the Cities of Fountain and Colorado Springs, Security Water District, Stratmoor Hills Water District and Widefield Water and Sanitation District. The City is represented on the Authority's Board of Directors by one member. The Board of Directors has the responsibility for all operations of the Authority.

The City's share of available capacity for the year ended December 31, 2019, was 2,000 acre feet of project water, representing an ownership percentage of participation of 9.95%.

The City's share of the Authority is not included in the financial statements since the Authority is a component unit of the City of Colorado Springs. Financial information about the Fountain Valley Authority can be obtained in a separate report available at City Hall.

8. Risk Management

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; natural disasters; and health and dental claims of its employees. The City accounts for and finances its risk activities in the General Fund and the Insurance Internal Service Fund.

Public Entity Risk Pool

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

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

8. Risk Management (continued)

Insurance Fund

Effective October 1, 2009, the City established a partially self-insured program for employee health, dental and short-term disability benefits. Transactions of the self-insurance program are reported in the Insurance Fund, an internal service fund. The City has purchased excess insurance policies to cover individual claims in excess of \$50,000, and aggregate annual claims in excess of approximately \$3,388,169, depending on enrollment counts. Premiums are paid by the General, Water, Electric, and Ambulance Funds.

Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements and the internal service fund if information available 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. Other than current amounts, the City believes the estimated claims liability is not fully measurable, and the City could incur additional costs related to IBNR claims.

Changes in claims payable were as follows:

	<u>2019</u>	<u>2018</u>
Claims Payable, <i>Beginning of Year</i>	\$ 190,944	\$ 256,630
Claims and Changes in Provisions	2,143,922	2,086,140
Claims Payments	<u>(2,579,755)</u>	<u>(2,148,826)</u>
Claims Payable, <i>End of Year</i>	<u>\$ 244,889</u>	<u>\$ 190,944</u>

9. Defined Benefit Retirement Plans

Volunteer Firefighters' Pension Plan

General Information

Plan Description - The City has established the Volunteer Firefighters' Pension Plan, a single-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado statutes. The plan is administered by a Board of Trustees composed of City Council members and firefighters. The Board of Trustees also establishes and is allowed to amend contribution and benefit requirements. The plan does not publish a separate stand-alone report, but is reported in the financial statements as a Pension Trust Fund.

Plan Membership - At December 31, 2019, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	15

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans

Volunteer Firefighters' Pension Plan (continued)

Active plan members	<u>10</u>
Total	<u>28</u>

Benefits Provided - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension benefit of \$200. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year shall be compensated in an amount determined by the Board of Trustees, currently \$200 each month. Monthly survivor benefits are \$200 unless the firefighter was disabled, in which case the survivor benefit is \$100 each month.

Contributions - As established by State statutes, the plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. The State of Colorado contributes 90% of the City's contribution. Plan members are not required to contribute to the plan. The contributions are not actuarially determined. The actuarial valuation as of January 1, 2018, indicated that the current level of contributions is adequate to support on an actuarially sound basis the prospective benefits of the present plan. No contributions were made to the plan during the year ended December 31, 2019.

Investments

Investment Policy - The Board of Trustees has the authority to establish an investment policy for the plan, but has not done so. City management currently makes all investment decisions.

Rate of Return - For the year ended December 31, 2019, the annual money-weighted rate of return on plan investments, net of investment expense, was 1.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset

At December 31, 2019, the City reported a net pension asset of \$580,607. The net pension asset was measured at December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Volunteer Firefighters' Pension Plan (continued)

Interest Rate - 4.5% per annum, compounded annually, net of operating expenses Mortality - Pub-2010 mortality table for general employees, projected with generational mortality improvement using Scale MP-2019. Separate annuitant and non-annuitant rate tables were used.

The long-term expected rate of return on plan investments was unable to be determined as the actuary was not provided with details regarding the allocation of invested assets among asset classes as of December 31, 2019 in order to develop the long-term expected rate of return on plan assets.

Discount Rate - The discount rate used to measure the total pension liability was 4.5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 4.5% was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended December 31, 2019, changes in the net pension asset of the City were as follows.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a)-(b)
Balances at December 31, 2018	\$ 122,482	\$ 709,005	\$ 586,523
Changes for the year:			
Service Cost	5,313	-	(5,313)
Interest	5,640	-	(5,640)
Net Investment Income	-	11,155	11,155
Changes of assumptions	6,118	-	(6,118)
Benefit Payments	(4,600)	(4,600)	-
Balances at December 31, 2019	<u>\$ 134,953</u>	<u>\$ 715,560</u>	<u>\$ 580,607</u>

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following table presents the net pension asset of the City at December 31, 2019, calculated using the discount rate of 4.5%, as well as what the City's net pension asset would be if it were calculated using a

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Volunteer Firefighters' Pension Plan (continued)

discount rate that is one percentage point lower (3.5%) or one percentage point higher (5.5%) than the current rate, as follows:

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
City's Net Pension Asset	\$ 551,906	\$ 580,607	\$ 602,332

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

For the year ended December 31, 2019, the City recognized pension expense of \$29,293. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Volunteer Firefighters' Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer Firefighters' Pension Plan		
Differences between expected and actual experience	\$ -	\$ 41,144
Net difference between projected and actual earnings on plan investments	46,062	-
Changes of assumptions or other inputs	4,661	31,543
Changes of proportion	-	-
Contributions subsequent to the measurement date	-	-
Subtotal	50,723	72,687

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Volunteer Firefighters' Pension Plan will be recognized as pension expense as follows.

<u>Year ended December 31,</u>	
2020	\$ (30,513)
2021	(5,600)
2022	9,732
2023	4,417
Total	\$ (21,964)

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Firefighters' Pension Plans

Plan Description - The City contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the SWH Plan), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). Effective September 1, 2011, paid firefighters had the option to remain in the City's existing pension plan or choose to participate in the SWH plan. Firefighters hired after September 1, 2011, are required to participate in the SWDB on the first day of employment. Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

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

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

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

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest,

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Firefighters' Pension Plans (continued)

returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest three years' base salary for each year of credited service. In addition, upon termination the vested account balance in the money purchase component becomes available to the member.

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

Contributions

SWDB Plan Contributions - The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 8% and 10.5% of base salary, respectively, for the year ended December 31, 2019. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of base salary through December 31, 2014. The split of contributions between employees and the City is determined by the City Council. In accordance with the aforementioned election, the reentry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Firefighters' Pension Plans (continued)

The City's contributions to the SWDB Plan for the year ended December 31, 2019, were \$475,974, equal to the required contributions.

SWH Plan Contributions - The City and eligible employees are required to contribute to the SWH Plan at rates established by City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component allocation from July 1, 2016, through June 30, 2018, was 13.5%, and thereafter was 14.8%. For the year ended December 31, 2019, City Council established the contribution rate split at 9.5% of base salary for both the City and the employees.

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

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

The City's contributions to the SWH Plan for the year ended December 31, 2019, were \$15,335, equal to the required contributions.

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

At December 31, 2019, the City reported a net pension asset (liability) of (\$1,402,411) and \$116,644, representing its proportionate share of the net pension asset (liability) of the SWDB and SWH Plans, respectively. The net pension asset (liability) was measured at December 31, 2018, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension asset (liability) was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2018, relative to the projected contributions of all participating employers.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Firefighters' Pension Plans (continued)

At December 31, 2018, the City's proportion of the SWDB Plan was 0.824513%, which was an increase of 0.517771% from its proportion measured at December 31, 2017. The City's proportion of the SWH Plan was 0.845035%, which was an increase of 0.37107% from its proportion measured at December 31, 2017.

For the year ended December 31, 2019, the City recognized pension income for the SWDB Plan and SWH Plan of (\$734,467) and (\$47,515), respectively. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 1,339,410	\$ 11,135
Net difference between projected and actual earnings on plan investments	820,016	-
Changes of assumptions or other inputs	1,009,542	
Changes of proportion	-	961,095
Contributions subsequent to the measurement date	<u>475,954</u>	<u>-</u>
Subtotal	3,644,922	972,230
 Statewide Hybrid Plan		
Differences between expected and actual experience	82,053	-
Net difference between projected and actual earnings on plan investments	24,907	-
Changes of assumptions and other inputs	16,982	-
Changes of proportion	-	78,402
Contributions subsequent to the measurement date	<u>15,335</u>	<u>-</u>
Subtotal	<u>139,277</u>	<u>78,402</u>
Total	<u>\$ 3,784,199</u>	<u>\$ 1,050,632</u>

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$475,954 and \$15,335, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Firefighters' Pension Plans (continued)

outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended December 31,</u>	SWDB	SWH
2020	\$ 439,800	\$ 12,741
2021	263,126	8,386
2022	199,031	6,745
2023	437,510	13,195
2024	128,185	1,418
Thereafter	<u>729,086</u>	<u>3,055</u>
Total	<u>\$ 2,196,738</u>	<u>\$ 45,540</u>

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

Investment rate of return, compounded annually, net of plan

Investment expenses, including inflation 7.5%

Inflation 2.5%

Projected salary increases 4.0% - 14.0%

Cost of living adjustments (COLA) 0.0%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors in July 2018 for first use in the actuarial valuation as of January 1, 2019, based upon the actuary's analysis of past experience and expectations of the future.

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

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Firefighters' Pension Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2016, are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.5%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the SWDB Net Position Asset (Liability)	<u>\$ (4,042,345)</u>	<u>\$ (1,042,411)</u>	<u>\$ (1,445,980)</u>
City's proportionate share of the SWH Net Position Asset (Liability)	<u>\$ 57,195</u>	<u>\$ 116,644</u>	<u>\$ 166,482</u>

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

9. Defined Benefit Retirement Plans (continued)

Firefighters' Pension Plans (continued)

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

10. Retirement Commitments

Police and Firefighter Money Purchase Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of police officers and paid firefighters that did not elect to participate in the FPPA Plans. The City is required to contribute 9.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan as of the first day of work as an employee, and become fully vested after five years of service.

For the year ended December 31, 2019, the City contributed \$15,256 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2019, are managed by Empower Retirement Company, an outside administrator.

General Employee Money Purchase Pension Plan

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of non-police and firefighter employees. The City is required to contribute 4.5% of each participating employee's compensation, and each employee must contribute a matching amount. The Plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the Plan after six months of employment.

Participants become fully vested after five years of service or upon reaching the age of 55.

For the year ended December 31, 2019, the City contributed \$397,429 to the Plan, equal to the required contributions. All of the Plan investments at December 31, 2019, are managed by the Colorado County Officials and Employees Retirement Association (CCOERA), an outside administrator.

City of Fountain, Colorado

Notes to Financial Statements (continued)

December 31, 2019

11. Post-Employment Benefits Other Than Pensions

Plan Description - The City has established a single-employer defined benefit postemployment healthcare plan. Employees with at least 20 years of service with the City, and who have reached at least 55 years of age, are eligible to receive health insurance benefits after retirement. These benefits expire when the retiree reaches the age of 65. The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan.

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. The City pays the entire monthly insurance premium. Plan members are not required to contribute to the plan. For the year ended December 31, 2019, the City paid premiums for retirees totaling \$62,860.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At December 31, 2019, the City reported an OPEB liability of \$1,135,013. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019.

For the year ended December 31, 2019, the City recognized OPEB expense of \$418,465. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 18,020	\$ 20,259

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31,</u>	
2020	\$ (511)
2021	(511)
2022	(511)
2023	(511)
2024	(511)
Thereafter	316
Total	<u>\$ (2,239)</u>

City of Fountain, Colorado

Notes to Financial Statements (continued)

December 31, 2019

11. Post-Employment Benefits Other Than Pensions (continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age normal, level percent of salary
Salary increases, including wage inflation	5.00 percent
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	N/A
Discount rate	3.26 percent
Health care cost trend rates	7.25% in 2019 decreasing to 4.75% in 2029

Plan membership as of December 31, 2018 was as follows:

Membership by type	Count
Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	185
Total	191

Health care cost trend rates were based on census and premium information provided by the City, as well as age and morbidity factors.

Age morbidity factors for pre-Medicare morbidity were developed from “Health Care Costs-From Birth to Death” sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto’s study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare.

Healthy mortality assumptions and disabled retiree mortality assumptions for active members were both based on the Pri-2012 Headcount Weighted Total Dataset tables projected generationally using scale MP-2019.

Sensitivity of the City’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the benefit structure, as well as if it were calculated using

City of Fountain, Colorado

Notes to Financial Statements (continued)

December 31, 2019

11. Post-Employment Benefits Other Than Pensions (continued)

health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease	Current Trend Rate	1% Increase
City's OPEB Liability	<u>\$ 1,032,457</u>	<u>\$ 1,135,013</u>	<u>\$ 1,265,195</u>

Discount rate. The discount rate used to measure the total OPEB liability was 3.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

Benefit payments and contributions were assumed to be made on a pay-as-you-go basis.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's OPEB Liability	<u>\$ 1,187,877</u>	<u>\$ 1,135,013</u>	<u>\$ 1,082,672</u>

12. Commitments and Contingencies

TABOR Amendment

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

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$675,461.

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

12. Commitments and Contingencies (continued)

Claims and Judgements

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2019, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

Southern Delivery System

The City, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District, are partners in the Southern Delivery System project. This project will convey raw water from Pueblo Reservoir through a 66" diameter, 53-mile pipeline to Upper Williams Creek Reservoir and Universal Water Treatment Plant located east of Colorado Springs. The City's participation in the conveyance capacity is 2,500 acre-feet per year and 5.625 million gallons per day (mgd) in the water treatment plant. The project was online in 2016, and all construction was completed in early 2020.

Under the terms of the project agreement, the City's participation is reported in the financial statements as an undivided interest, whereby the City reports its assets, liabilities, revenues and expenses associated with the joint project. At December 31, 2019, the City reported capital assets, with no depreciation, of \$46,818,013 for this project.

Conveyance Service Contract

The City, as a participant in the Fountain Valley Authority, receives raw water through the Fountain Valley Conduit (the Conduit) pursuant to a conveyance service contract with the Southeastern Colorado Water Conservancy District. Under the terms of the contract, the participants are assessed a service charge for the costs of constructing the Conduit. The City's future service charges are as follows:

Year Ended December 31,	
2020	\$ 371,198
2021	371,198
2022	<u>371,198</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,113,594</u>

City of Fountain, Colorado
Notes to Financial Statements (continued)
December 31, 2019

12. Commitments and Contingencies (continued)

Litigation

The City is involved in various pending or threatened litigation. The outcome of this litigation cannot be determined at this time.

Concentration of Risk

A substantial amount of the City's sales tax revenues is received from four taxpayers. A reduction in this revenue, if it were to occur, may have a significant effect on the City's programs and activities.

Economic Development Tax Incentive Agreements

The City has approved several agreements to rebate certain property, sales and use taxes generated by new businesses. During the year ended December 31, 2019, the City paid \$2,376,704 under these agreements.

13. Subsequent Events

The City has evaluated subsequent events through July 30, 2020 the date that the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which may negatively impact operations of the City. Other financial impact could occur, though such potential impact is unknown at this time.

City of Fountain, Colorado

Required Supplementary Information

City of Fountain, Colorado
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes				
Property taxes	\$ 2,243,500	\$ 2,243,500	\$ 2,083,613	\$ (159,887)
Sales taxes	11,770,000	11,770,000	11,976,431	206,431
Use taxes	1,653,600	1,653,600	1,969,828	316,228
Specific ownership taxes	230,000	230,000	262,321	32,321
Franchise taxes	2,042,650	2,042,650	2,134,383	91,733
Total Taxes	17,939,750	17,939,750	18,426,576	486,826
Licenses and Permits				
Business licenses	103,000	103,000	136,114	33,114
Total Licenses and Permits	103,000	103,000	136,114	33,114
Charges for Services				
Developer fees	87,500	87,500	52,525	(34,975)
Impact fees	37,500	37,500	6,790	(30,710)
Park fees	168,000	168,000	33,165	(134,835)
School district juvenile program	460,200	460,200	489,126	28,926
Off duty police program	-	-	25,617	25,617
Cemetery	-	-	8,100	8,100
Miscellaneous	45,450	45,450	48,117	2,667
Total Charges for Services	798,650	798,650	663,440	(135,210)
Fines and Forfeitures	427,800	427,800	441,367	13,567
Intergovernmental				
Highway users tax	989,000	1,020,782	936,763	(84,019)
Road and bridge fund	-	-	33,579	33,579
Motor vehicle registration	-	-	86,119	86,119
Cigarette taxes	-	-	43,844	43,844
State and local grants	-	-	139,840	139,840
Federal grants	-	-	4,541	4,541
Total Intergovernmental	989,000	1,020,782	1,244,686	223,904
Investment Income	-	-	167,969	167,969
Miscellaneous				
Other	157,240	599,217	1,435,203	835,986
Total Miscellaneous	157,240	599,217	1,435,203	835,986
TOTAL REVENUES	20,415,440	20,889,199	22,515,355	1,626,156

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

City of Fountain, Colorado
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
EXPENDITURES				
General Government				
Legislative	52,770	52,770	46,060	6,710
Judicial	277,254	277,253	235,538	41,715
Economic development	2,156,304	2,156,304	2,422,869	(266,565)
Information technology	2,120,828	2,517,608	618,467	1,899,141
Planning and engineering	586,745	308,800	735,338	(426,538)
Administration	1,260,630	844,795	843,608	1,187
Total General Government	<u>6,454,531</u>	<u>6,157,530</u>	<u>4,901,880</u>	<u>1,255,650</u>
Public Safety				
Police	7,567,700	7,717,700	7,588,508	129,192
Communications	594,250	594,250	596,484	(2,234)
Fire	4,436,925	4,186,925	3,541,230	645,695
Total Public Safety	<u>12,598,875</u>	<u>12,498,875</u>	<u>11,726,222</u>	<u>772,653</u>
Public Works				
Highway and streets	1,641,320	1,976,565	1,699,806	276,759
Facilities and maintenance	398,015	1,269,015	994,500	274,515
Total Public Works	<u>2,039,335</u>	<u>3,245,580</u>	<u>2,694,306</u>	<u>551,274</u>
Health and Welfare				
Code Enforcement	444,010	464,010	384,325	79,685
Cemetery	34,750	34,750	35,110	(360)
Total Health and Welfare	<u>478,760</u>	<u>498,760</u>	<u>419,435</u>	<u>79,325</u>
Culture and Recreation				
Parks	1,114,820	1,228,020	788,099	439,921
Community Building	53,800	53,800	313,511	(259,711)
Total Culture and Recreation	<u>1,168,620</u>	<u>1,281,820</u>	<u>1,101,610</u>	<u>180,210</u>
Debt Service	<u>-</u>	<u>-</u>	<u>960,177</u>	<u>(960,177)</u>
TOTAL EXPENDITURES	22,740,121	23,682,565	21,803,630	1,878,935
OTHER FINANCING SOURCES AND (USES)				
Capital Leases	(1,062,860)	(1,062,860)	-	1,062,860
Transfers in	1,075,030	1,075,030	-	(1,075,030)
Transfers out	-	(681,835)	(420,597)	261,238
Other	1,705,400	1,705,400	-	(1,705,400)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>1,717,570</u>	<u>1,035,735</u>	<u>(420,597)</u>	<u>(1,456,332)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (607,111)</u>	<u>\$ (1,757,631)</u>	<u>\$ 291,128</u>	<u>\$ 2,048,759</u>
FUND BALANCES, BEGINNING OF YEAR	<u>6,682,172</u>		<u>8,657,584</u>	
FUND BALANCES, END OF YEAR	<u>\$ 6,075,061</u>		<u>\$ 8,948,712</u>	

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

City of Fountain, Colorado
Required Supplementary Information
Volunteer Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period ended December 31,	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 5,313	\$ 6,090	\$ 13,751	\$ -	\$ -	\$ -
Interest	5,640	5,546	11,460	14,655	14,188	13,765
Difference between expected and actual experience	-	-	(144,009)	-	-	-
Changes of assumptions	6,118	(3,954)	-	(94,965)	-	-
Benefit Payments	(4,600)	(5,100)	(4,800)	(4,000)	(3,600)	(4,800)
Net change in total pension liability	12,471	2,582	(123,598)	(84,310)	10,588	8,965
Total pension liability - Beginning	122,482	119,900	243,498	327,808	317,220	308,255
Total pension liability - Ending (a)	134,953	122,482	119,900	243,498	327,808	317,220
Plan fiduciary net position						
Employer contributions	-	-	-	-	-	-
Net investment income	11,155	9,962	4,948	3,029	2,732	2,191
Benefit payments	(4,600)	(5,100)	(4,800)	(4,000)	(3,600)	(4,800)
Administrative expense	-	(3,693)	(3,270)	(2,850)	(10,539)	(150)
State of Colorado supplemental discretionary payment	-	-	-	-	-	-
Net change in plan fiduciary net position	6,555	1,169	(3,122)	(3,821)	(11,407)	(2,759)
Plan fiduciary net position - beginning	709,005	707,836	710,958	714,779	726,186	728,945
Plan fiduciary net position - end (b)	715,560	709,005	707,836	710,958	714,779	726,186
District's net pension asset - ending (a)-(b)	(580,607)	(586,523)	(587,936)	(467,460)	(386,971)	(408,966)
Plan fiduciary net position as a percentage of the total pension asset	530%	579%	590%	292%	218%	229%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension asset.

City of Fountain, Colorado
Required Supplementary Information
Schedules of Proportionate Share of the Net Pension Liabilities and Related Ratios

Statewide Defined Benefit Plan

Measurement Period Ended*	Proportion of the Net Pension Liability/Asset	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability/Asset
12/31/2018	0.82451333%	\$ 1,042,411	2,939,366	35.5%	95.2%
12/31/2017	0.30674205%	\$ (441,297)	\$ 1,638,955	-26.9%	106.3%
12/31/2016	0.28760751%	\$ (96,829)	\$ 1,331,905	-7.3%	98.0%
12/31/2015	0.28396312%	\$ 5,006	\$ 1,224,894	0.4%	100.1%
12/31/2014	0.31188443%	\$ 351,985	\$ 1,227,432	29.0%	107.0%
12/31/2013	0.32238512%	\$ 288,272	\$ 1,202,066	24.0%	106.0%

Statewide Hybrid Plan

Measurement Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2018	0.84503560%	\$ 116,644	\$ 108,220	107.8%	123.5%
12/31/2017	0.47396124%	\$ 92,672	\$ 76,282	121.5%	138.9%
12/31/2016	0.52041609%	\$ 56,649	\$ 70,847	80.0%	126.0%
12/31/2015	0.47649964%	\$ 50,189	\$ 66,053	76.0%	129.0%
12/31/2014	0.50235952%	\$ 59,578	\$ 65,458	91.0%	141.0%
12/31/2013	0.46745219%	\$ 47,680	\$ 63,658	75.0%	139.0%

Postemployment Benefit Plan

Measurement Period Ended*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability (Asset)	Actual Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2019	100%	\$ 1,135,013	\$ 108,220	1048.8%	0.0%
12/31/2018	100%	\$ 1,107,022	\$ 76,282	1451.2%	0.0%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

City of Fountain, Colorado
Required Supplementary Information
Schedules of Employer Contributions
As of Measurement Period Ended

Statewide Defined Benefit Plan

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	263,997	441,845	177,848	2,939,366	15.03%
12/31/2017	143,538	143,538	-	1,638,955	8.76%
12/31/2016	117,754	117,754	-	1,331,905	8.84%
12/31/2015	110,127	110,127	-	1,224,894	8.99%
12/31/2014	112,204	112,204	-	1,227,432	9.14%

Statewide Hybrid Plan

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	10,281	10,281	-	108,220	9.50%
12/31/2017	7,247	7,247	-	76,282	9.50%
12/31/2016	6,730	6,730	-	70,847	9.50%
12/31/2015	6,275	6,275	-	66,053	9.50%
12/31/2014	6,218	6,218	-	65,458	9.50%

Postemployment Benefit Plan

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Required Contributions as a Percentage of Covered Payroll
12/31/2019	1,135,013	-	(1,135,013)	16,096,316	7.05%
1/1/2016	468,530	-	(468,530)	12,140,898	3.86%
1/1/2014	488,743	-	(488,743)	10,152,334	4.81%
1/1/2011	367,674	-	(367,674)	9,890,941	3.72%
1/1/2008	322,073	-	(322,073)	9,168,765	3.51%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

City of Fountain, Colorado

Other Supplementary Information

City of Fountain, Colorado

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2019

	CONSERVATION TRUST	HERITAGE MAINTENANCE DISTRICT	GENERAL IMPROVEMENT DISTRICTS	VOLUNTEER FIRE
ASSETS				
Cash and Investments	\$ 452,576	\$ 461,108	\$ 710,242	\$ 137,325
Accounts Receivable	650	1,445	3,350	1,331
Taxes receivable	-	78,673	209,377	-
TOTAL ASSETS	<u>453,226</u>	<u>541,226</u>	<u>922,969</u>	<u>138,656</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 14,124	\$ -	\$ -	\$ 25,530
Accrued liabilities	1,316	-	-	-
TOTAL LIABILITIES	<u>15,440</u>	<u>-</u>	<u>-</u>	<u>25,530</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	78,673	209,377	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>15,440</u>	<u>78,673</u>	<u>209,377</u>	<u>25,530</u>
FUND BALANCES				
Restricted for:				
Parks	437,786	-	-	-
District Repairs and Maintenance	-	462,553	713,592	-
Transportation	-	-	-	-
Street Repairs and Maintenance	-	-	-	-
Street Improvements	-	-	-	-
Committed to Volunteer Fire Activities	-	-	-	113,126
TOTAL FUND BALANCES	<u>437,786</u>	<u>462,553</u>	<u>713,592</u>	<u>113,126</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 453,226</u>	<u>\$ 541,226</u>	<u>\$ 922,969</u>	<u>\$ 138,656</u>

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

City of Fountain, Colorado

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2019

	PUBLIC TRANSPORTATION	STREET RESURFACING	STREET IMPROVEMENT	TOTALS
ASSETS				
Cash and Investments	\$ 1,401,389	\$ 3,214	\$ 1,663,374	\$ 4,829,228
Accounts Receivable	183,445	108,372	255,431	554,024
Taxes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,050</u>
TOTAL ASSETS	<u>1,584,834</u>	<u>111,586</u>	<u>1,918,805</u>	<u>5,671,302</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,140	\$ -	\$ 682,034	\$ 722,828
Accrued liabilities	<u>7,047</u>	<u>-</u>	<u>-</u>	<u>8,363</u>
TOTAL LIABILITIES	<u>8,187</u>	<u>-</u>	<u>682,034</u>	<u>731,191</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,050</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>8,187</u>	<u>-</u>	<u>682,034</u>	<u>1,019,241</u>
FUND BALANCES				
Restricted for:				
Parks	-	-	-	437,786
District Repairs and Maintenance	-	-	-	1,176,145
Transportation	1,576,647	-	-	1,576,647
Street Repairs and Maintenance	-	111,586	-	111,586
Street Improvements	-	-	1,236,771	1,236,771
Committed to Volunteer Fire Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,126</u>
TOTAL FUND BALANCES	<u>1,576,647</u>	<u>111,586</u>	<u>1,236,771</u>	<u>4,652,061</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,584,834</u>	<u>\$ 111,586</u>	<u>\$ 1,918,805</u>	<u>\$ 5,671,302</u>

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

City of Fountain, Colorado
Other Governmental Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended December 31, 2019

	CONSERVATION TRUST	HERITAGE MAINTENANCE DISTRICT	GENERAL IMPROVEMENT DISTRICTS	VOLUNTEER FIRE
REVENUES				
Taxes	\$ -	\$ 72,737	\$ 192,977	\$ -
Charges for Services	-	-	-	23,446
Intergovernmental	284,490	-	-	-
Investment Income	7,915	9,010	12,751	2,689
Miscellaneous	-	-	601	17,244
TOTAL REVENUES	<u>292,405</u>	<u>81,747</u>	<u>206,329</u>	<u>43,379</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	34,345	-	-
Public Safety	-	-	-	85,855
Culture and Recreation	149,156	-	-	-
Debt Service:				
Principal	-	-	-	-
TOTAL EXPENDITURES	<u>149,156</u>	<u>34,345</u>	<u>-</u>	<u>85,855</u>
NET CHANGE IN FUND BALANCE	<u>143,249</u>	<u>47,402</u>	<u>206,329</u>	<u>(42,476)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>294,537</u>	<u>415,151</u>	<u>507,263</u>	<u>155,602</u>
FUND BALANCE, END OF YEAR	<u>\$ 437,786</u>	<u>\$ 462,553</u>	<u>\$ 713,592</u>	<u>\$ 113,126</u>

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

City of Fountain, Colorado
Other Governmental Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>PUBLIC TRANSPORTATION</u>	<u>STREET RESURFACING</u>	<u>STREET IMPROVEMENT</u>	<u>TOTALS</u>
REVENUES				
Taxes	\$ 998,018	\$ 598,811	\$ 1,397,225	\$ 3,259,768
Charges for Services	-	-	-	23,446
Intergovernmental	-	-	-	284,490
Investment Income	26,263	1,322	26,164	86,114
Miscellaneous	21,846	-	-	39,691
TOTAL REVENUES	<u>1,046,127</u>	<u>600,133</u>	<u>1,423,389</u>	<u>3,693,509</u>
EXPENDITURES				
Current:				
General Government	692,616	-	-	692,616
Public Works	-	669,293	1,626,741	2,330,379
Public Safety	-	-	-	85,855
Culture and Recreation	-	-	-	149,156
Debt Service:				
Principal	72,601	-	-	72,601
Interest	2,164	-	-	2,164
TOTAL EXPENDITURES	<u>767,381</u>	<u>669,293</u>	<u>1,626,741</u>	<u>3,332,771</u>
NET CHANGE IN FUND BALANCE	<u>278,746</u>	<u>(69,160)</u>	<u>(203,352)</u>	<u>360,738</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,297,901</u>	<u>180,746</u>	<u>1,440,123</u>	<u>4,291,323</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,576,647</u>	<u>\$ 111,586</u>	<u>\$ 1,236,771</u>	<u>\$ 4,652,061</u>

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

City of Fountain, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Interest income	\$ 1,150	\$ 1,150	\$ 7,915	\$ 6,765
Lottery proceeds	<u>250,000</u>	<u>250,000</u>	<u>284,490</u>	<u>34,490</u>
TOTAL REVENUES	<u>251,150</u>	<u>251,150</u>	<u>292,405</u>	<u>41,255</u>
EXPENDITURES				
Culture and recreation	<u>206,100</u>	<u>241,159</u>	<u>149,156</u>	<u>92,003</u>
TOTAL EXPENDITURES	<u>206,100</u>	<u>241,159</u>	<u>149,156</u>	<u>92,003</u>
NET CHANGE IN FUND BALANCE	<u>\$ 45,050</u>	<u>\$ 9,991</u>	<u>\$ 143,249</u>	<u>\$ 133,258</u>
FUND BALANCE, BEGINNING OF YEAR			<u>294,537</u>	
FUND BALANCE, END OF YEAR			<u>\$ 437,786</u>	

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

City of Fountain, Colorado
Heritage Maintenance District Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES				
Property taxes	\$ 64,000	\$ 64,000	\$ 64,777	\$ 777
Specific ownership taxes	6,500	6,500	7,960	1,460
Investment income	<u>1,500</u>	<u>1,500</u>	<u>9,010</u>	<u>7,510</u>
TOTAL REVENUES	<u>72,000</u>	<u>72,000</u>	<u>81,747</u>	<u>9,747</u>
EXPENDITURES				
Public works	<u>69,000</u>	<u>69,000</u>	<u>34,345</u>	<u>34,655</u>
TOTAL EXPENDITURES	<u>69,000</u>	<u>69,000</u>	<u>34,345</u>	<u>34,655</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 47,402</u>	<u>\$ 44,402</u>
FUND BALANCE, BEGINNING OF YEAR			<u>415,151</u>	
FUND BALANCE, END OF YEAR			<u>\$ 462,553</u>	

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

City of Fountain, Colorado
General Improvement Districts Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES				
Property taxes	\$ 162,500	\$ 162,500	\$ 168,237	\$ 5,737
Specific ownership taxes	11,400	11,400	24,740	13,340
Investment income	1,200	1,200	12,751	11,551
Miscellaneous	-	-	601	601
TOTAL REVENUES	<u>175,100</u>	<u>175,100</u>	<u>206,329</u>	<u>31,229</u>
EXPENDITURES				
Miscellaneous expenses	-	21,240	-	21,240
TOTAL EXPENDITURES	<u>-</u>	<u>21,240</u>	<u>-</u>	<u>21,240</u>
NET CHANGE IN FUND BALANCE	<u>\$ 175,100</u>	<u>\$ 153,860</u>	<u>\$ 206,329</u>	<u>\$ 52,469</u>
FUND BALANCE, BEGINNING OF YEAR			<u>507,263</u>	
FUND BALANCE, END OF YEAR			<u>\$ 713,592</u>	

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

City of Fountain, Colorado
Volunteer Fire Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES				
Charges for services	\$ 53,028	\$ 53,028	\$ 23,446	\$ (29,582)
Donations	1,000	1,000	-	(1,000)
Investment income	600	600	2,689	2,089
Miscellaneous	4,000	4,000	17,244	13,244
TOTAL REVENUES	<u>58,628</u>	<u>58,628</u>	<u>43,379</u>	<u>(15,249)</u>
EXPENDITURES				
Public safety	38,900	50,900	85,855	(34,955)
TOTAL EXPENDITURES	<u>38,900</u>	<u>50,900</u>	<u>85,855</u>	<u>(34,955)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 19,728</u>	<u>\$ 7,728</u>	<u>\$ (42,476)</u>	<u>\$ (50,204)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>155,602</u>	
FUND BALANCE, END OF YEAR			<u>\$ 113,126</u>	

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

City of Fountain, Colorado
Public Transportation Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Sales taxes	\$ 875,000	\$ 875,000	\$ 998,018	123,018
Intergovernmental	-	120,000	-	(120,000)
Investment income	3,500	3,500	26,263	22,763
Miscellaneous	-	-	21,846	21,846
TOTAL REVENUES	<u>878,500</u>	<u>998,500</u>	<u>1,046,127</u>	<u>44,609</u>
EXPENDITURES				
Current				
General government	373,560	728,913	692,616	36,297
Debt Service				
Principal	39,790	71,985	72,601	(616)
Interest	-	-	2,164	
Capital outlay	-	210,000	-	210,000
TOTAL EXPENDITURES	<u>413,350</u>	<u>1,010,898</u>	<u>767,381</u>	<u>245,681</u>
NET CHANGE IN FUND BALANCE	<u>\$ 465,150</u>	<u>\$ (12,398)</u>	<u>\$ 278,746</u>	<u>\$ 290,290</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,297,901</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,576,647</u>	

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

City of Fountain, Colorado
Street Resurfacing Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES				
Sales taxes	\$ 515,500	\$ 515,500	\$ 598,811	\$ 83,311
Investment income	500	500	1,322	822
TOTAL REVENUES	<u>516,000</u>	<u>516,000</u>	<u>600,133</u>	<u>84,133</u>
EXPENDITURES				
Public works	525,000	662,000	669,293	(7,293)
TOTAL EXPENDITURES	<u>525,000</u>	<u>662,000</u>	<u>669,293</u>	<u>(7,293)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,000)</u>	<u>\$ (146,000)</u>	<u>\$ (69,160)</u>	<u>\$ 76,840</u>
FUND BALANCE, BEGINNING OF YEAR			<u>180,746</u>	
FUND BALANCE, END OF YEAR			<u>\$ 111,586</u>	

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

City of Fountain, Colorado
Street Improvements Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Sales taxes	\$ 1,210,000	\$ 1,210,000	\$ 1,397,225	\$ 187,225
Investment income	12,000	12,000	26,164	14,164
TOTAL REVENUES	<u>1,222,000</u>	<u>1,222,000</u>	<u>1,423,389</u>	<u>201,389</u>
EXPENDITURES				
Public works	1,930,000	1,930,000	1,626,741	303,259
TOTAL EXPENDITURES	<u>1,930,000</u>	<u>1,930,000</u>	<u>1,626,741</u>	<u>303,259</u>
NET CHANGE IN FUND BALANCE	<u>\$ (708,000)</u>	<u>\$ (708,000)</u>	<u>\$ (203,352)</u>	<u>\$ 504,648</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,440,123</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,236,771</u>	

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

City of Fountain, Colorado
Combining Statement of Net Position
Proprietary Fund
December 31, 2019

ASSETS	Ambulance	Drainage	Total
Current Assets:			
Cash and investments	\$ -	\$ 1,425,451	\$ 1,425,451
Accounts receivable	-	2,170	2,170
Total Current Assets	-	1,427,621	1,427,621
Non-Current Assets:			
Capital assets, net of accumulated depreciation	341,094	-	341,094
TOTAL ASSETS	341,094	1,427,621	1,768,715
LIABILITIES			
Current Liabilities:			
Accounts payable	25,616	-	25,616
Accrued liabilities	32,369	-	32,369
Current portion of long-term debt			
Compensated absences payable	47,984	-	47,984
Agreement payable	14,115	-	14,115
Total Current Liabilities	120,084	-	120,084
Non-Current Liabilities:			
Compensated absences payable	7,278	-	7,278
Agreement payable	23,015	-	23,015
Total Non-Current Liabilities	30,293	-	30,293
TOTAL LIABILITIES	150,377	-	150,377
NET POSITION			
Net investment in capital assets	303,964	-	303,964
Unrestricted	(113,247)	1,427,621	1,314,374
TOTAL NET POSITION	\$ 190,717	\$ 1,427,621	\$ 1,618,338

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

City of Fountain, Colorado
Combining Statement of Revenues, Expenditures
and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	<u>Ambulance</u>	<u>Drainage</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 755,039	\$ 149,685	\$ 904,724
TOTAL OPERATING REVENUES	<u>755,039</u>	<u>149,685</u>	<u>904,724</u>
OPERATING EXPENSES			
Public Safety	80,825	-	80,825
Operations and maintenance	1,121,797	-	1,121,797
Depreciation	<u>77,220</u>	<u>-</u>	<u>77,220</u>
TOTAL OPERATING EXPENSES	<u>1,279,842</u>	<u>-</u>	<u>1,279,842</u>
OPERATING INCOME (LOSS)	<u>(524,803)</u>	<u>149,685</u>	<u>(375,118)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	<u>-</u>	<u>26,528</u>	<u>26,528</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-</u>	<u>26,528</u>	<u>26,528</u>
INCOME (LOSS) BEFORE TRANSFERS	(524,803)	176,213	(348,590)
Transfers in	<u>420,597</u>	<u>-</u>	<u>420,597</u>
CHANGE IN NET POSITION	(104,206)	176,213	72,007
NET POSITION, BEGINNING OF YEAR	<u>294,923</u>	<u>1,251,408</u>	<u>1,546,331</u>
NET POSITION, END OF YEAR	<u>\$ 190,717</u>	<u>\$ 1,427,621</u>	<u>\$ 1,618,338</u>

City of Fountain, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	<u>Ambulance</u>	<u>Drainage</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 771,471	\$ 149,897	\$ 921,368
Cash paid to employees	(963,889)	-	(963,889)
Cash paid for goods and services	(228,179)	-	(228,179)
NET CASH FROM OPERATING ACTIVITIES	<u>(420,597)</u>	<u>149,897</u>	<u>(270,700)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	420,597	-	420,597
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	<u>420,597</u>	<u>-</u>	<u>420,597</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	26,528	26,528
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>26,528</u>	<u>26,528</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>176,425</u>	<u>176,425</u>
CASH AND CASH EQUIVALENTS			
Beginning of Year	<u>-</u>	<u>1,249,026</u>	<u>1,249,026</u>
End of Year	<u>\$ -</u>	<u>\$ 1,425,451</u>	<u>\$ 1,425,451</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (524,803)	\$ 149,685	\$ (375,118)
Depreciation	77,220	-	77,220
Change in accounts receivable, net	16,432	212	16,644
Change in accounts payable and accrued expenses	28,289	-	28,289
Change in compensated absences payable	(17,735)	-	(17,735)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (420,597)</u>	<u>\$ 149,897</u>	<u>\$ (270,700)</u>

City of Fountain, Colorado
Water Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 8,602,450	\$ 8,632,250	\$ 9,630,665	\$ 998,415
Miscellaneous	65,860	40,560	416,749	376,189
Investment income	5,000	7,500	77,790	70,290
System development fees	1,210,000	1,210,500	1,103,992	(106,508)
TOTAL REVENUES	<u>9,883,310</u>	<u>9,890,810</u>	<u>11,229,196</u>	<u>1,338,386</u>
EXPENDITURES				
Source of supply	2,509,378	2,509,378	2,040,977	468,401
Operations and maintenance	2,158,640	2,158,640	2,455,660	(297,020)
Customer accounts and collection	826,810	879,240	702,256	176,984
Administration and general	1,852,395	2,443,153	2,359,896	83,257
Capital outlay	7,356,585	8,285,555	6,482,215	1,803,340
Debt principal	-	-	1,240,000	(1,240,000)
Interest expense	2,025,550	2,025,550	423,534	1,602,016
TOTAL EXPENDITURES	<u>16,729,358</u>	<u>18,301,516</u>	<u>15,704,538</u>	<u>2,128,577</u>
OTHER FINANCING SOURCES AND (USES)				
Bond proceeds	-	7,000,000	7,600,000	600,000
Transfers out	(483,360)	-	-	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(483,360)</u>	<u>7,000,000</u>	<u>7,600,000</u>	<u>600,000</u>
CHANGE IN NET POSITION, BUDGETARY BASIS	<u>\$ (7,329,408)</u>	<u>\$ (1,410,706)</u>	<u>\$ 3,124,658</u>	<u>\$ 4,535,364</u>
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Capital outlay, including capitalized interest			6,482,215	
Depreciation expense			(1,352,569)	
Debt principal			1,240,000	
Bond proceeds			(7,600,000)	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ 1,894,304</u>	

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

City of Fountain, Colorado
Electric Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 24,178,210	\$ 24,341,810	\$ 24,355,307	\$ 13,497
Grant Revenue	-	-	25,000	25,000
Miscellaneous	639,250	475,650	1,411,693	936,043
Investment income	96,000	96,000	281,980	185,980
System development fees	35,000	35,000	63,623	28,623
TOTAL REVENUES	<u>24,948,460</u>	<u>24,948,460</u>	<u>26,137,603</u>	<u>1,189,143</u>
EXPENDITURES				
Source of supply	13,738,725	13,738,726	14,923,604	(1,184,878)
Operations and maintenance	5,342,945	5,342,945	4,419,553	923,392
Customer accounts and collection	1,985,350	1,997,070	1,781,329	215,741
Administration and general	3,519,675	3,519,675	3,625,895	(106,220)
Capital outlay	20,867,930	22,399,370	4,127,354	18,272,016
Loss on sale of assets	-	-	113,326	(113,326)
Interest expense	-	-	225,213	(225,213)
TOTAL EXPENDITURES	<u>45,454,625</u>	<u>46,997,786</u>	<u>29,216,274</u>	<u>18,966,390</u>
OTHER FINANCING SOURCES AND (USES)				
Debt proceeds	-	14,000,000	11,400,000	(2,600,000)
Transfers in	544,009	544,008	-	(544,008)
Transfers out	(655,461)	(655,461)	-	655,461
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(111,452)</u>	<u>13,888,547</u>	<u>11,400,000</u>	<u>(2,488,547)</u>
CHANGE IN NET POSITION, BUDGETARY BASIS	<u>\$ (20,617,617)</u>	<u>\$ (8,160,779)</u>	<u>\$ 8,321,329</u>	<u>\$ 16,482,108</u>
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Debt proceeds			(11,400,000)	
Capital outlay			4,127,354	
Depreciation expense			(1,629,343)	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (580,660)</u>	

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

City of Fountain, Colorado
Ambulance Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services	\$ 925,000	\$ 925,000	\$ 755,039	\$ (169,961)
Transfers in	250,000	250,000	420,597	170,597
Lease proceeds	176,200	176,200	-	(176,200)
Miscellaneous	1,500	1,500	-	(1,500)
TOTAL REVENUES	<u>1,352,700</u>	<u>1,352,700</u>	<u>1,175,636</u>	<u>(177,064)</u>
EXPENDITURES				
Public safety	80,825	80,825	80,825	-
Operations and maintenance	993,770	993,770	1,121,797	(128,027)
Debt principal	-	-	14,814	(14,814)
TOTAL EXPENDITURES	<u>1,074,595</u>	<u>1,074,595</u>	<u>1,217,436</u>	<u>(142,841)</u>
CHANGE IN NET POSITION, BUDGETARY BASIS	<u>\$ 278,105</u>	<u>\$ 278,105</u>	<u>\$ (41,800)</u>	<u>\$ (34,223)</u>
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Depreciation expense			(77,220)	
Debt principal			14,814	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (104,206)</u>	

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

City of Fountain, Colorado
Drainage Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services	\$ 27,450	\$ 27,450	\$ 149,685	\$ 122,235
Investment income	3,840	3,840	26,528	22,688
TOTAL REVENUES	<u>31,290</u>	<u>31,290</u>	<u>176,213</u>	<u>144,923</u>
EXPENDITURES				
Operations and maintenance	<u>200,000</u>	<u>200,000</u>	-	<u>200,000</u>
TOTAL EXPENDITURES	<u>200,000</u>	<u>200,000</u>	-	<u>200,000</u>
CHANGE IN NET POSITION, BUDGETARY BASIS	<u>\$ (168,710)</u>	<u>\$ (168,710)</u>	<u>\$ 176,213</u>	<u>\$ 344,923</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,251,408</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,427,621</u>	

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

City of Fountain, Colorado
Internal Service Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services	\$ 3,515,100	\$ 3,620,500	\$ 4,069,837	\$ 449,337
Investment income	5,900	5,900	60,254	54,354
TOTAL REVENUES	<u>3,521,000</u>	<u>3,626,400</u>	<u>4,130,091</u>	<u>503,691</u>
EXPENDITURES				
Administration and general	366,800	366,800	89,100	277,700
Insurance premiums	630,000	630,000	985,421	(355,421)
Insurance claims	2,584,000	2,584,000	2,813,344	(229,344)
TOTAL EXPENDITURES	<u>3,580,800</u>	<u>3,580,800</u>	<u>3,887,865</u>	<u>-</u>
CHANGE IN NET POSITION, BUDGETARY BASIS	<u>\$ (59,800)</u>	<u>\$ 45,600</u>	<u>\$ 242,226</u>	<u>\$ 196,626</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,617,879</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,860,105</u>	

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

City of Fountain, Colorado

Statistical Section

CITY OF FOUNTAIN, COLORADO

STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
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.	72-76
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	77-85
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 debt in the future.	86-88
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.	89-90
Operating Information These schedules contain service and 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.	91-92

CITY OF FOUNTAIN, COLORADO

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Unaudited)

TABLE 1

(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
									(restated)	
Governmental Activities										
Net Investment in Capital Assets	\$ 76,610,623	\$ 76,127,122	\$ 76,210,836	\$ 74,221,505	\$ 71,700,844	\$ 71,587,864	\$ 69,520,813	\$ 67,964,354	\$ 69,746,246	\$ 68,476,764
Restricted for Parks	171,785	159,446	150,841	200,199	265,398	230,569	304,912	254,830	294,537	437,786
Restricted for District Repairs and Maintenance	-	260,397	300,346	335,202	377,522	438,171	525,899	691,029	922,414	1,176,145
Restricted for Transportation	77,407	160,658	-	323,923	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647
Restricted for Street Repairs and Maintenance	75,110	46,277	49,317	114,524	81,645	78,649	203,892	248,154	180,746	111,586
Restricted for Street Improvements	492,788	1,026,814	1,651,516	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771
Restricted for Emergencies	351,000	355,000	393,000	378,000	414,000	553,000	624,000	764,000	717,000	675,461
Unrestricted	952,123	135,074	189,013	(88,331)	3,400,191	5,745,378	4,666,972	5,194,378	8,778,702	11,360,175
Total governmental activities net position	78,730,836	78,270,788	78,944,869	77,758,799	79,639,583	82,858,491	80,886,094	81,065,431	83,377,669	85,051,335
Business-type activities										
Net Investment in Capital Assets	60,771,506	63,517,686	65,483,598	70,249,254	73,772,083	76,235,438	82,159,345	84,882,092	89,901,060	77,345,853
Restricted for Debt Service	-	576,900	576,900	576,900	576,900	794,400	217,500	217,500	217,500	-
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	8,357,595
Unrestricted	14,381,159	11,415,974	13,418,176	12,434,106	11,829,636	13,047,583	10,329,549	11,245,862	9,075,989	14,971,120
Total business-type activities net position	75,152,665	75,510,560	79,478,674	83,260,260	86,178,619	90,077,421	92,706,394	96,345,454	99,194,549	100,674,568
Primary government										
Net Investment in Capital Assets	137,382,129	139,644,808	141,694,434	144,470,759	145,472,927	147,823,302	151,680,158	152,846,446	159,647,306	145,822,617
Restricted for Parks	171,785	159,446	150,841	200,199	265,398	230,569	304,912	254,830	294,537	437,786
Restricted for District Repairs and Maintenance	-	260,397	300,346	335,202	377,522	438,171	525,899	691,029	922,414	1,176,145
Restricted for Transportation	77,407	160,658	-	323,923	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647
Restricted for Street Repairs and Maintenance	75,110	46,277	49,317	114,524	81,645	78,649	203,892	248,154	180,746	111,586
Restricted for Street Improvements	492,788	1,026,814	1,651,516	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771
Restricted for Debt Service	-	576,900	576,900	576,900	576,900	794,400	217,500	217,500	217,500	-
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	8,357,595
Restricted for Emergencies	351,000	355,000	393,000	378,000	414,000	553,000	624,000	764,000	717,000	675,461
Unrestricted	15,333,282	11,551,048	13,607,189	12,345,775	15,229,827	18,792,961	14,996,521	16,440,240	17,854,591	26,331,295
Total primary government net position	\$ 153,883,501	\$ 153,781,348	\$ 158,423,543	\$ 161,019,059	\$ 165,818,202	\$ 172,935,912	\$ 173,592,488	\$ 177,410,885	\$ 182,572,118	\$ 185,725,903

Source: City of Fountain, Colorado, audited financial statements, 2010-2019

Note: The City of Fountain, Colorado adopted GASB Statement 65 for the year ended December 31, 2013. Amounts for 2012 have been restated.

The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

The City of Fountain, Colorado adopted GASB Statement 75 for the year ended December 31, 2018. Amounts for 2017 have not been restated.

CITY OF FOUNTAIN, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Unaudited)

TABLE 2

(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
									(restated)	
Expenses										
Governmental Activities										
General Government	\$ 3,020,265	\$ 2,949,011	\$ 2,937,922	\$ 3,088,640	\$ 2,699,475	\$ 2,130,308	\$ 4,044,229	\$ 4,693,192	\$ 8,695,463	\$ 5,761,656
Public Safety	7,182,513	7,446,750	7,966,886	8,166,704	8,485,869	9,028,509	10,270,018	11,537,346	10,994,529	11,423,879
Public Works	4,235,181	2,071,681	2,756,803	3,402,850	4,488,188	4,590,601	5,529,468	3,476,418	4,001,851	4,572,294
Health and Welfare	166,141	211,294	255,525	276,146	296,720	282,840	339,505	382,291	398,085	398,325
Culture and Recreation	790,333	858,049	772,212	778,062	798,755	1,143,271	1,114,420	1,272,541	1,070,721	1,324,469
Interest Expense	27,846	28,812	20,123	133,048	136,046	130,542	136,878	129,487	270,449	126,337
Total Governmental Activities Expenses	15,422,279	13,565,597	14,709,471	15,845,450	16,905,053	17,306,071	21,434,518	21,491,275	25,431,098	23,606,960
Business-type Activities										
Water Utility	6,425,441	6,702,091	6,486,441	7,220,673	6,912,357	7,556,775	7,828,769	8,070,689	8,935,851	9,334,892
Electric Utility	19,363,478	20,739,214	21,428,400	23,025,897	24,279,421	22,372,569	21,780,237	22,447,508	24,952,506	26,604,937
Ambulance	689,230	782,788	850,134	826,633	858,779	845,194	962,046	1,117,680	1,225,967	1,279,842
Drainage	62,103	49,530	129,444	179	-	678,202	34,783	810	-	-
Total Business-type Activities Expenses	26,540,252	28,273,623	28,894,419	31,073,382	32,050,557	31,452,740	30,605,835	31,636,687	35,114,324	37,219,671
Total Primary Government Expenses	\$ 41,962,531	\$ 41,839,220	\$ 43,603,890	\$ 46,918,832	\$ 48,955,610	\$ 48,758,811	\$ 52,040,353	\$ 53,127,962	\$ 60,545,422	\$ 60,826,631
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 117,196	\$ 137,678	\$ 190,390	\$ 337,441	\$ 292,864	\$ 272,233	\$ 250,000	\$ 213,334	\$ 311,399	\$ 179,718
Public Safety	297,793	394,179	510,392	439,352	382,940	487,191	682,158	676,895	965,888	1,020,470
Public Works	20,350	7,736	16,461	12,437	37,455	127,292	74,205	155,208	85,428	22,945
Health and Welfare	23,122	12,781	20,112	38,000	14,777	21,773	12,000	6,965	12,676	9,320
Culture and Recreation	49,667	39,536	154,698	133,831	238,348	168,346	109,090	83,464	45,225	76,634
Operating Grants and Contributions	1,323,439	1,241,485	1,373,031	1,104,640	1,593,090	1,472,444	1,375,632	1,291,305	1,407,023	1,529,176
Capital Grants and Contributions	66,000	10,760	449,604	-	-	2,318,192	-	-	-	-
Total Governmental Activities Program Revenues	1,897,567	1,844,155	2,714,688	2,065,701	2,559,474	4,867,471	2,503,085	2,427,171	2,827,639	2,838,263
Business-type Activities										
Charges for Services:										
Water Utility	5,420,523	5,975,973	6,988,153	6,596,466	7,499,994	8,641,160	8,538,462	8,427,151	9,555,175	9,630,665
Electric Utility	19,795,797	20,626,280	22,469,395	23,757,241	24,304,148	23,673,596	22,148,619	22,951,368	24,910,405	24,355,307
Ambulance	585,801	659,662	681,356	603,636	678,983	725,652	675,385	875,963	846,008	755,039
Drainage	16,866	18,875	123,885	79,928	35,309	93,739	16,822	22,352	154,637	149,685
Capital & Operating Grants and Contributions	1,128,501	1,226,149	2,874,944	3,751,283	2,436,029	1,887,206	1,429,735	2,637,238	1,925,612	1,192,615
Total Business-type Activities Program Revenues	26,947,488	28,506,939	33,137,733	34,788,554	34,954,463	35,021,353	32,809,023	34,914,072	37,391,837	36,083,311
Total Primary Government Revenues	\$ 28,845,055	\$ 30,351,094	\$ 35,852,421	\$ 36,854,255	\$ 37,513,937	\$ 39,888,824	\$ 35,312,108	\$ 37,341,243	\$ 40,219,476	\$ 38,921,574
Net (Expense)/Revenue										
Governmental Activities	\$ (13,524,712)	\$ (11,721,442)	\$ (11,994,783)	\$ (13,779,749)	\$ (14,345,579)	\$ (12,438,600)	\$ (18,931,433)	\$ (19,064,104)	\$ (22,603,459)	\$ (20,768,697)
Business-type Activities	407,236	233,316	4,243,314	3,715,172	2,903,906	3,568,613	2,203,188	3,277,385	2,277,513	(1,136,360)
Total Primary Government Net Revenue (Expense)	\$ (13,117,476)	\$ (11,488,126)	\$ (7,751,469)	\$ (10,064,577)	\$ (11,441,673)	\$ (8,869,987)	\$ (16,728,245)	\$ (15,786,719)	\$ (20,325,946)	\$ (21,905,057)

Source: City of Fountain, Colorado, audited financial statements, 2010-2019

Note: The City of Fountain, Colorado adopted GASB Statement 65 for the year ended December 31, 2013. Amounts for 2012 have been restated.

The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

The City of Fountain, Colorado adopted GASB Statement 75 for the year ended December 31, 2018. Amounts for 2017 have not been restated.

TABLE 2
(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
									(restated)	
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 1,814,141	\$ 1,808,353	\$ 1,662,856	\$ 1,691,850	\$ 1,715,894	\$ 1,816,545	\$ 2,031,189	\$ 2,152,814	\$ 2,304,048	\$ 2,316,627
Sales and Use Taxes	7,404,402	7,437,672	8,528,383	8,678,945	9,340,449	10,542,516	12,686,263	14,686,272	17,314,141	16,940,313
Specific Ownership Taxes	165,271	159,210	159,616	171,785	187,619	210,581	241,426	298,083	297,889	295,021
Franchise Taxes	1,566,986	1,645,916	1,780,553	1,861,009	1,993,771	1,996,793	1,932,297	1,975,688	2,095,707	2,134,383
Investment Income	31,623	25,234	29,244	(22,321)	55,200	44,801	33,620	77,724	141,379	254,083
Intergovernmental revenues	-	-	-	-	2,500,000	200,000	-	-	-	-
Other Revenues	262,831	59,875	71,914	134,994	285,505	137,918	331,378	288,308	2,590,872	922,533
Insurance Proceeds	-	-	290,000	-	-	-	-	-	-	-
Transfers	186,980	125,134	146,298	77,417	147,925	(154,987)	(297,137)	(235,448)	(416,275)	(420,597)
Total Governmental Activities	11,432,234	11,261,394	12,668,864	12,593,679	16,226,363	14,794,167	16,959,036	19,243,441	24,327,761	22,442,363
Business-type Activities:										
Other Revenues	-	-	-	-	-	-	-	-	-	1,809,584
Investment Earnings	276,790	249,713	238,857	143,831	162,378	175,202	128,648	126,227	155,207	386,298
Transfers	(186,980)	(125,134)	(146,298)	(77,417)	(147,925)	154,987	297,137	235,448	416,275	420,597
Total Business-type Activities	89,810	124,579	92,559	66,414	14,453	330,189	425,785	361,675	571,482	2,616,479
Total Primary Government	\$ 11,522,044	\$ 11,385,973	\$ 12,761,423	\$ 12,660,093	\$ 16,240,816	\$ 15,124,356	\$ 17,384,821	\$ 19,605,116	\$ 24,899,243	\$ 25,058,842
Change in Net Position										
Government Activities	\$ (2,092,478)	\$ (460,048)	\$ 674,081	\$ (1,186,070)	\$ 1,880,784	\$ 2,355,567	\$ (1,972,397)	\$ 179,337	\$ 1,724,302	\$ 1,673,666
Business-type Activities	497,046	357,895	4,335,873	3,781,586	2,918,359	3,898,802	2,628,973	3,639,060	3,021,995	1,480,119
Total Primary Government	\$ (1,595,432)	\$ (102,153)	\$ 5,009,954	\$ 2,595,516	\$ 4,799,143	\$ 6,254,369	\$ 656,576	\$ 3,818,397	\$ 4,746,297	\$ 3,153,785

Source: City of Fountain, Colorado, audited financial statements, 2010-2019

Note: The City of Fountain, Colorado adopted GASB Statement 65 for the year ended December 31, 2013. Amounts for 2012 have been restated.

The City of Fountain, Colorado adopted GASB Statement 68 for the year ended December 31, 2015. Amounts for 2014 have not been restated.

The City of Fountain, Colorado adopted GASB Statement 75 for the year ended December 31, 2018. Amounts for 2017 have not been restated.

CITY OF FOUNTAIN, COLORADO

FUND BALANCES-GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 3

(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 351,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,051,307	-	-	-	-	-	-	-	-	-
Nonspendable Note Receivable	-	-	100,000	25,663	-	-	-	-	-	-
Restricted for Emergencies	-	355,000	393,000	378,000	414,000	553,000	624,000	764,000	717,000	675,461
Restricted for Fire Sta./Police Sta. Renovation	-	-	2,499,423	121,934	-	-	-	-	-	-
Committed to Park Improvements	-	161,212	311,804	283,566	512,486	662,405	742,637	848,069	925,294	966,532
Committed to School Zone	-	30,996	50,725	58,066	72,859	88,804	65,516	74,896	79,053	89,544
Committed to Traffic Signal	-	-	208,000	208,000	208,000	208,000	208,000	208,000	208,000	208,000
Assigned to Public Safety Capital Improvements	-	-	110,169	443,783	259,430	382,505	621,558	1,001,762	1,384,980	1,859,654
Unrestricted, Unassigned	-	1,607,759	577,192	589,591	3,683,805	4,671,273	2,969,618	4,146,335	5,343,256	5,149,521
Total general fund	\$ 2,402,307	\$ 2,154,967	\$ 4,250,313	\$ 2,108,603	\$ 5,150,580	\$ 6,565,987	\$ 5,231,329	\$ 7,043,062	\$ 8,657,584	\$ 8,948,712
All Other Governmental Funds										
Reserved	\$ 817,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	281,991	-	-	-	-	-	-	-	-	-
Restricted for Parks	-	159,446	150,841	200,199	265,398	230,569	304,912	254,830	294,537	437,786
Restricted for District Repairs & Maintenance	-	260,397	300,346	335,202	377,522	438,171	525,899	691,029	922,414	1,176,145
Restricted for Transportation	-	160,658	-	323,923	486,290	717,664	912,062	1,095,465	1,297,901	1,576,647
Restricted for Street Repairs & Maintenance	-	46,277	49,317	114,524	81,645	78,649	203,892	248,154	180,746	111,586
Restricted for Street Improvements	-	1,026,814	1,651,516	2,273,777	2,913,693	3,507,196	4,127,544	4,853,221	1,440,123	1,236,771
Committed to Volunteer Fire Activities	-	42,980	-	104,881	129,951	155,036	142,081	153,684	155,602	113,126
Assigned to Volunteer Fire Activities	-	-	92,126	-	-	-	-	-	-	-
Unrestricted, Unassigned	-	-	(95,642)	-	-	-	-	-	-	-
Total all other governmental funds	\$ 1,099,081	\$ 1,696,572	\$ 2,148,504	\$ 3,352,506	\$ 4,254,499	\$ 5,127,285	\$ 6,216,390	\$ 7,296,383	\$ 4,291,323	\$ 4,652,061
Total all governmental funds	\$ 3,501,388	\$ 3,851,539	\$ 6,398,817	\$ 5,461,109	\$ 9,405,079	\$ 11,693,272	\$ 11,447,719	\$ 14,339,445	\$ 12,948,907	\$ 13,600,773

Source: City of Fountain Colorado, audited financial statements, 2010-2019

Note: Implemented GASB Statement 54 in 2011

CITY OF FOUNTAIN, COLORADO

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 4

(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 10,950,800	\$ 11,051,151	\$ 12,131,408	\$ 12,403,589	\$ 13,237,733	\$ 14,566,435	\$ 16,891,175	\$ 19,119,576	\$ 22,011,785	\$ 21,686,344
Licenses and Permits	79,151	67,875	87,815	128,163	114,018	110,887	106,779	94,105	164,955	136,114
Intergovernmental	1,356,418	1,215,566	1,481,485	1,368,640	4,093,090	1,672,444	1,375,632	1,284,586	1,407,023	1,529,176
Charges for Services	174,588	142,104	330,165	489,192	544,141	621,266	613,660	739,670	860,555	686,886
Fines and Forfeitures	231,679	376,861	469,968	343,706	308,225	344,682	407,014	302,091	395,106	441,367
Investment Income	31,623	25,234	29,244	(19,782)	47,729	39,835	29,412	65,843	141,379	254,083
Other Revenues	318,562	101,624	153,169	134,994	285,505	137,918	331,378	288,308	2,590,872	1,474,894
Total Revenues	13,142,821	12,980,415	14,683,254	14,848,502	18,630,441	17,493,467	19,755,050	21,894,179	27,571,675	26,208,864
Expenditures:										
General Government	2,834,491	2,619,801	3,211,865	2,716,674	3,034,927	2,485,007	4,447,557	4,880,968	4,915,105	5,580,304
Public Safety	6,867,610	7,465,807	9,173,376	10,262,612	8,637,059	8,650,779	10,084,025	11,431,458	12,023,231	11,275,406
Public Works	1,615,195	1,780,686	2,066,730	1,677,957	2,077,441	2,110,811	3,396,987	3,494,141	8,853,992	1,395,910
Health and Welfare	185,744	203,847	253,336	275,818	296,392	282,512	339,177	381,963	398,085	419,435
Culture and Recreation	743,197	738,067	921,696	899,644	858,192	1,167,182	1,187,270	1,525,382	1,160,204	1,180,020
Debt Service										
Principal	257,424	189,628	222,333	372,445	403,639	423,454	422,737	571,267	1,061,060	724,861
Interest	27,846	28,812	20,123	133,048	136,046	130,542	136,878	129,487	99,815	310,081
Capital Outlay	-	-	-	-	-	-	-	-	-	4,250,384
Total Expenditures	12,531,507	13,026,648	15,869,459	16,338,198	15,443,696	15,250,287	20,014,631	22,414,666	28,511,492	25,136,401
Excess of Revenues over (under) Expenditures	611,314	(46,233)	(1,186,205)	(1,489,696)	3,186,745	2,243,180	(259,581)	(520,487)	(939,817)	1,072,463
Other Financing Sources (Uses)										
Debt Issued	-	271,250	3,297,185	474,571	609,300	-	311,165	3,647,661	-	-
Insurance Proceeds	-	-	290,000	-	-	-	-	-	-	-
Transfers In	661,526	591,084	646,299	675,270	675,270	200,000	-	-	-	-
Transfers Out	(474,546)	(465,950)	(500,001)	(597,853)	(527,345)	(154,987)	(297,137)	(235,448)	(450,721)	(420,597)
Total Other Financing Sources (Uses)	186,980	396,384	3,733,483	551,988	757,225	45,013	14,028	3,412,213	(450,721)	(420,597)
Net Change in Fund Balances	\$ 798,294	\$ 350,151	\$ 2,547,278	\$ (937,708)	\$ 3,943,970	\$ 2,288,193	\$ (245,553)	\$ 2,891,726	\$ (1,390,538)	\$ 651,866
Debt Service as a percentage of noncapital Expenditures	2.3%	2.1%	2.0%	4.1%	3.8%	4.6%	3.1%	4.1%	5.3%	5.2%

Source: City of Fountain, Colorado, audited financial statements, 2010-2019

CITY OF FOUNTAIN, COLORADO

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (Unaudited)

TABLE 5

Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Exempt	State Assessed	Total Assessed Value	Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2010	10,532,270	105,695,460	43,245,410	7,687,430	257,990	760,060	14,410,640	2,848,390	185,437,650	10.239	1,611,593,379	11.51%
2011	8,291,480	96,490,080	42,563,100	7,258,870	286,710	748,740	14,298,740	3,113,590	173,051,310	10.239	1,484,739,631	11.66%
2012	8,633,870	97,558,460	43,705,300	7,158,160	285,860	817,870	14,405,950	3,663,740	176,229,210	10.239	1,505,322,647	11.71%
2013	8,269,790	99,606,600	45,769,110	8,238,250	231,130	778,540	16,800,190	3,830,590	183,524,200	10.239	1,549,862,261	11.84%
2014	8,050,330	105,533,830	47,079,980	7,464,150	231,300	724,310	17,202,920	4,785,520	191,072,340	10.239	1,629,983,349	11.72%
2015	8,086,610	115,369,090	52,517,480	6,953,150	240,700	617,700	19,456,510	9,647,830	212,889,070	10.239	1,795,063,326	11.86%
2016	8,020,780	117,748,510	56,831,240	6,772,650	235,230	596,610	19,454,530	4,560,710	214,220,260	10.239	1,821,386,400	11.76%
2017	8,109,610	121,463,590	64,122,210	7,841,530	235,250	475,200	20,013,310	4,501,710	226,762,410	10.239	1,923,033,314	11.79%
2018	7,555,730	125,051,630	65,041,150	7,796,200	234,590	359,390	20,439,420	4,737,690	231,215,800	10.239	1,972,699,676	11.72%
2019	9,422,850	153,363,100	64,975,720	8,261,870	216,370	131,810	21,543,660	4,633,470	262,548,850	10.239	2,534,632,807	10.36%

Source - State of Colorado Annual Report and El Paso County Assessor

Note: Property in El Paso County is revalued every odd numbered year. The assessment rate is 29 percent of actual value for all properties except residential and producing natural resource properties. The residential assessment rate is established by the State legislature every odd-numbered year in order to maintain the tax burden balance between residential properties and other properties. The residential assessment rate is 7.96 percent for the 2010-2017 assessment years and 7.15% for the 2018 assessment year and for 2019. Tax rates are per \$1,000 of assessed value.

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN YEARS (rate per \$1,000 of assessed value) (Unaudited)

TABLE 6

Taxing Authority	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Direct										
City of Fountain (a)	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
Total Direct Rate	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
Overlapping Governments										
El Paso County	7.717	7.597	7.663	7.714	7.791	7.869	7.919	7.965	8.068	7.222
School Districts										
Widefield #3	48.96	49.854	49.307	48.025	47.004	47.527	45.657	61.320	60.294	56.396
Fountain/Fort Carson #8	24.69	24.723	24.703	24.726	24.775	25.195	24.748	24.731	24.776	24.845
Sanitation Districts										
Fountain Sanitation	4.654	5.334	5.534	5.755	6.101	0.604	6.248	6.328	6.637	6.030
Water Districts										
S.E. Water Conservancy	0.94	0.947	0.944	0.940	0.940	0.941	0.940	0.939	0.944	0.902
Special Districts										
Fountain GID #1	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000	12.000
Fountain GID #2	-	-	-	10.000	10.000	10.000	10.000	10.000	10.000	10.000
Heritage Improv. Maint.	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940	4.940
Metropolitan Districts										
Countryside South	30.000	30.000	30.000	30.000	30.000	30.000	30.000	33.166	33.166	33.477
Crescent Canyon	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.197	35.052	35.011
Cross Creek	10.727	10.727	10.727	10.727	10.727	10.727	10.727	11.859	11.859	11.898
Cumberland Green	40.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	47.000
Mesa Ridge #2	37.000	37.000	37.000	37.000	43.000	50.000	50.000	55.278	55.167	65.441
Remuda Ridge	40.000	40.000	-	-	-	-	-	50.000	50.000	10.000
Ventana	-	-	-	40.000	40.000	40.000	40.000	51.332	51.332	51.691
Miscellaneous Districts										
Pikes Peak Library	3.556	3.999	4.000	4.000	4.000	3.857	3.857	3.812	4.000	3.731

Source - El Paso County Assessor's Office, Abstract of Assessment 2010-2019.

Notes: (a) Overlapping rates are those of county governments and various types of districts that apply to property owners in the City of Fountain

CITY OF FOUNTAIN, COLORADO

PRINCIPAL PROPERTY TAX PAYERS Current year and 2010 (Unaudited)

Table 7

Taxpayer	2019			2010		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
WalMart Real Estate	\$ 6,691,070	1	2.55%	\$ 2,793,330	2	1.51%
Dillon Real Estate Co Inc	\$ 5,549,150	2	2.11%	\$ 4,692,490	1	2.53%
Lowes HIW, Inc	\$ 2,318,550	3	0.88%	\$ 2,399,800	4	1.29%
Pavestone, LLC	\$ 2,201,340	5	0.84%			
Mesa Ridge NO 1, LLP	\$ 2,151,130	4	0.82%			
Sam's Real Est Business Trust	\$ 1,795,540	6	0.68%			
Raceway 200 LLC	\$ 1,794,950	7	0.68%	\$ 2,154,970	5	1.16%
GEP Investments Inc	\$ 1,607,530	8	0.61%			
Fountain Business Park LLC	\$ 1,475,340	9	0.56%			
RMB Products Inc	\$ 1,389,880	10	0.53%	\$ 1,008,190	7	0.54%
SCI Plant No. 22 LLC				\$ 2,531,190	3	1.36%
Astar FRR FLI LLC				\$ 1,202,330	6	0.65%
Safeway Stores 46 Inc.				\$ 1,192,940	7	0.64%
Adesa Colorado Inc.				\$ 1,158,550	8	0.62%
GHC Merchandise Inc.				\$ 1,149,580	9	0.62%
Total Assessed Valuation City of Fountain			\$ 262,548,850			\$ 185,437,650

Source: El Paso County Assessor's Office

CITY OF FOUNTAIN, COLORADO

GENERAL FUND REVENUES-TAXES BY CATEGORY LAST TEN FISCAL YEARS

TABLE 8

(Unaudited)

(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sales Tax	\$ 5,167,168	\$ 5,239,962	\$ 5,633,146	\$ 5,848,928	\$ 6,260,780	\$ 7,152,889	\$ 8,937,330	\$ 10,341,676	\$ 10,822,136	\$ 11,976,431
General Property Tax	1,731,928	1,732,669	1,594,662	1,624,450	1,647,136	1,733,965	1,915,374	1,956,656	2,066,694	2,083,613
Use Tax	945,696	887,719	1,487,007	1,367,789	1,514,474	1,601,405	1,514,601	1,759,190	3,786,475	1,969,828
Specific Ownership Tax	165,271	153,425	154,403	165,432	180,249	201,176	227,899	270,180	267,478	262,321
Franchise Taxes:										
Cablevision/ Telephone	163,742	165,479	193,753	218,759	233,678	275,348	318,949	318,177	304,307	272,476
Electricity (1)	961,895	1,012,430	1,094,835	1,156,498	1,190,744	1,165,277	1,064,519	1,093,440	1,173,240	1,236,747
Gas	173,462	174,394	148,293	162,078	190,269	183,666	150,570	152,373	163,345	162,423
Water (2)	267,887	293,613	343,672	323,674	379,080	372,503	398,259	411,698	454,815	462,737
Total	\$ 9,577,049	\$ 9,659,691	\$ 10,649,771	\$ 10,867,608	\$ 11,596,410	\$ 12,686,228	\$ 14,527,501	\$ 16,303,390	\$ 19,038,489	\$ 18,426,576

Source: City of Fountain, Colorado, audited financial statements, 2010-2019

Notes: (1) The franchise fee for the City owned electric utility is 5% of gross revenues.

(2) The franchise fee for the City owned water utility is 5% of gross revenues.

CITY OF FOUNTAIN, COLORADO

SALES TAX BY CATEGORY

TABLE 9

LAST TEN FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Auto Repair and Parts Supply	\$ 255,356	\$ 320,889	\$ 386,846	\$ 397,747	\$ 458,682	\$ 457,840	\$ 562,237	\$ 514,709	\$ 585,363	\$ 611,649
Auto Sales	93,026	118,774	125,070	110,604	161,058	164,354	190,353	297,330	328,020	302,120
Communications/Utilities	617,272	609,244	606,479	608,767	692,136	675,480	642,511	776,721	769,871	996,712
Convenience Stores	134,520	161,237	174,003	163,293	216,237	207,209	252,111	240,119	253,806	295,324
Entertainment	84,155	51,962	43,887	42,875	45,421	49,025	50,127	47,042	27,207	25,684
Hotel/Motel/RV Parks	42,610	42,374	42,006	38,018	53,912	58,493	65,368	69,033	76,343	92,584
Liquor Stores	131,939	139,820	146,097	201,905	243,093	284,607	309,087	309,841	319,827	343,827
Restaurants	1,035,896	1,138,697	1,239,641	1,390,407	1,607,930	1,878,716	2,116,482	2,344,155	2,695,191	2,814,861
Retail	3,407,245	3,415,716	3,226,384	3,514,312	3,555,432	4,831,279	6,566,477	7,799,112	7,691,028	8,493,117
Services - Misc	656,686	523,445	961,918	838,416	777,470	333,213	415,101	527,897	780,994	994,387
Total	\$ 6,458,705	\$ 6,522,158	\$ 6,952,331	\$ 7,306,344	\$ 7,811,371	\$ 8,940,216	\$ 11,169,854	\$ 12,925,958	\$ 13,527,648	\$ 14,970,265
City Direct Sales Tax Rate	3.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

Source: City of Fountain, Colorado audited financial statements, 2010-2019 and Sales Tax Subsidiary Records, 2010-2019

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING SALES TAX RATES DECEMBER 31, 2019 (Unaudited)

TABLE 10

<u>Fiscal Year</u>		<u>City of Fountain</u>	<u>El Paso County</u>	<u>State of Colorado</u>	<u>PPRTA</u>
2010		3.75%	1.00%	2.9%	
2011		3.75%	1.00%	2.9%	
2012		3.75%	1.00%	2.9%	
2013		3.75%	1.23%	2.9%	
2014		3.75%	1.23%	2.9%	
2015		3.75%	1.23%	2.9%	
	All but South				
2016	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2016	Highlands	3.75%	1.23%	2.9%	1.0%
	All but South				
2017	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2017	Highlands	3.75%	1.23%	2.9%	1.0%
	All but South				
2018	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2018	Highlands	3.75%	1.23%	2.9%	1.0%
	All but South				
2019	Academy Highlands	3.75%	1.23%	2.9%	
	South Academy				
2019	Highlands	3.75%	1.23%	2.9%	1.0%

PPRTA-Pikes Peak Rural Transportation Authority can only charge a 1% tax to the South Academy Highland commercial establishments

CITY OF FOUNTAIN, COLORADO

GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS (Unaudited)

TABLE 11

Year Assessed	Gross Tax Levy	Current Collections		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Total Net Taxes Collected	Total Tax Percentage of Levy
2010	1,748,162	1,717,381	98.24%	15,288	1,732,669	99.11%
2011	1,612,426	1,577,023	97.80%	17,639	1,594,662	98.90%
2012	1,640,950	1,608,133	98.00%	16,317	1,624,450	98.99%
2013	1,690,240	1,603,985	94.90%	43,042	1,647,027	97.44%
2014	1,763,057	1,705,044	96.71%	28,921	1,733,965	98.35%
2015	1,961,172	1,869,797	95.34%	45,577	1,915,374	97.66%
2016	1,976,808	1,936,777	97.97%	19,879	1,956,656	98.98%
2017	2,095,580	2,039,304	97.31%	27,390	2,066,694	98.62%
2018	2,136,860	2,031,726	95.08%	51,887	2,083,613	97.51%
2019	2,443,474	N/A			N/A	

Source: El Paso County Treasurer's Office and the City of Fountain, Colorado
audited financial statements, 2010-2019

Note: (1) Property taxes are collected in the calendar year following the year levied.

CITY OF FOUNTAIN, COLORADO

WATER REVENUES LAST TEN FISCAL YEARS (Unaudited) (accrual basis of accounting)

TABLE 12

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water Revenues:										
Charges for Services:										
Metered Water Sales by Type of Customer:										
Residential	\$ 3,921,835	\$ 4,237,665	\$ 4,856,803	\$ 4,612,252	\$ 5,269,638	\$ 5,370,315	\$ 5,869,792	\$ 5,966,982	\$ 6,975,508	\$ 7,288,222
Commercial	1,307,278	1,442,851	1,862,917	1,705,902	1,973,358	1,894,487	2,002,129	2,206,966	2,325,169	2,342,443
Total Charges for Services	5,229,113	5,680,516	6,719,720	6,318,154	7,242,996	7,264,802	7,871,921	8,173,948	9,300,677	9,630,665
Miscellaneous	191,410	295,457	268,443	278,312	256,998	1,376,358	666,541	253,203	254,498	443,472
Total Operating Revenues	5,420,523	5,975,973	6,988,163	6,596,466	7,499,994	8,641,160	8,538,462	8,427,151	9,555,175	10,074,137
Investment Income	25,333	4,704	18,192	30,597	8,454	14,204	24,380	4,862	4,320	77,790
Total Water Revenues	<u>\$ 5,445,856</u>	<u>\$ 5,980,677</u>	<u>\$ 7,006,355</u>	<u>\$ 6,627,063</u>	<u>\$ 7,508,448</u>	<u>\$ 8,655,364</u>	<u>\$ 8,562,842</u>	<u>\$ 8,432,013</u>	<u>\$ 9,559,495</u>	<u>\$ 10,151,927</u>
Water Gallons Sold by Type of Customer										
Residential	664,565,674	661,927,352	694,655,326	580,491,828	581,525,339	542,361,514	579,887,854	555,059,383	575,508,997	552,120,210
Commercial	207,155,885	206,016,010	239,390,805	192,229,910	201,572,170	186,637,670	178,402,965	178,760,968	189,259,178	190,517,730
Total Water Gallons Sold by Type of Customer	<u>871,721,559</u>	<u>867,943,362</u>	<u>934,046,131</u>	<u>772,721,738</u>	<u>783,097,509</u>	<u>728,999,184</u>	<u>758,290,819</u>	<u>733,820,351</u>	<u>764,768,175</u>	<u>742,637,940</u>

Source: City of Fountain, Colorado, audited financial statements, 2010-2019 and Utility Billing Records, 2010-2019

CITY OF FOUNTAIN, COLORADO

ELECTRIC REVENUES LAST TEN FISCAL YEARS (Unaudited) (accrual basis of accounting)

TABLE 13

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Electric Revenues:										
Charges for Services:										
Metered Electric Sales by Type of Customer:										
Residential-inside city limits	\$ 7,304,774	\$ 7,723,760	\$ 8,340,921	\$ 9,064,892	\$ 9,522,120	\$ 9,124,562	\$ 8,785,711	\$ 8,592,953	\$ 9,107,204	\$ 10,430,671
Residential-outside city limits	5,766,927	6,029,776	6,488,210	6,740,561	6,836,575	6,475,483	6,102,628	5,728,635	6,304,987	6,542,323
Commercial-inside city limits	4,998,003	5,243,284	5,894,940	6,043,262	6,071,818	6,196,410	5,426,906	6,609,964	6,772,023	6,179,811
Commercial-outside city limits	1,153,385	1,169,656	1,259,752	1,394,599	1,263,326	1,272,037	1,073,402	1,101,661	1,167,590	1,202,502
Total Charges for Services	19,223,089	20,166,476	21,983,823	23,243,314	23,693,839	23,068,492	21,388,647	22,033,212	23,351,805	24,355,307
Miscellaneous	572,708	459,804	485,572	513,927	610,309	958,176	759,972	918,156	1,558,600	1,436,693
Total Operating Revenues	19,795,797	20,626,280	22,469,395	23,757,241	24,304,148	24,026,668	22,148,619	22,951,368	24,910,405	25,792,000
Investment Income	235,314	232,406	209,225	118,468	143,013	154,942	101,576	115,371	138,569	281,980
Total Electric Revenues	\$ 20,031,111	\$ 20,858,686	\$ 22,678,620	\$ 23,875,709	\$ 24,447,161	\$ 24,181,610	\$ 22,250,195	\$ 23,066,739	\$ 25,048,974	\$ 26,073,980
Electric kWh Sold by Type of Customer										
Residential-inside city limits	71,327,642	73,363,908	74,304,463	76,930,528	75,808,661	80,256,002	84,490,361	84,357,290	90,106,520	88,768,099
Residential-outside city limits	58,505,848	58,749,490	58,870,222	58,012,143	55,831,697	57,063,034	57,998,087	57,132,259	60,797,181	59,276,942
Commercial-inside city limits	56,818,302	58,274,334	60,105,657	61,833,071	62,074,818	63,289,307	63,723,036	64,932,845	66,671,035	64,086,355
Commercial-outside city limits	13,006,567	13,055,589	13,206,462	13,030,685	12,696,182	12,641,542	12,123,616	11,693,218	11,760,264	12,417,088
Total Electric kWh Sold by Type of Customer	199,658,359	203,443,321	206,486,804	209,806,427	206,411,358	213,249,885	218,335,100	218,115,612	229,335,000	224,548,484

Source: City of Fountain, Colorado, audited financial statements, 2010-2019 and Utility Billing Records, 2010-2019.

CITY OF FOUNTAIN, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (Unaudited)

TABLE 14

Governmental																
Activities		Business-Type Activities														
			2005	2003	2007	2008	2009	2011	2013	2014	2015	2016	2019	Total		Percentage
Fiscal	Capital	Capital	Payable	Rights	Rights	Rights	Payable	Payable	Payable	Payable	Payable	Payable	Payable	Primary	Per	of Personal
Year	Leases	Leases	CWRPDA	Loan	Loan	Loan	CWRPDA	CWRPDA	CWRPDA	CWRPDA	Fountain	Fountain	Fountain	Government	Capita (a)	Income (b)
2010	482,279		7,390,000	436,200	234,300	1,382,812	8,510,000							18,435,591	713	1.86%
2011	563,901		7,215,000	363,500	195,250	1,334,065	8,350,000	9,350,000						27,371,716	1,034	2.59%
2012	3,638,753		7,035,000	290,800	156,200	1,281,793	8,185,000	9,350,000						29,937,546	1,114	2.72%
2013	3,740,879		6,850,000	218,100	117,150	1,225,743	8,015,000	9,175,000	12,162,361					41,504,233	1,522	3.72%
2014	3,946,540		200,000	145,400	78,100	1,165,641	7,835,000	8,995,000	11,918,594	18,222,508				52,506,783	1,844	4.40%
2015	3,523,086	77,595	-	72,700	39,050	-	7,650,000	8,810,000	11,669,827	18,113,302	4,024,695			53,980,255	1,884	4.47%
2016	3,411,514	105,268	-	-	-	-	-	8,620,000	11,416,061	17,659,096	3,942,705	7,773,376		52,928,020	1,802	4.15%
2017	6,487,908	1,056,272	-	-	-	-	-	8,425,000	11,157,295	17,189,889	3,855,715	7,501,683		55,673,762	1,868	4.21%
2018	5,738,316	843,534	-	-	-	-	-	8,225,000	10,888,529	16,705,682	3,768,725	7,224,989		53,394,775	1,795	3.86%
2019	4,829,711	593,157	-	-	-	-	-	8,015,000	10,614,763	16,211,475	3,676,735	6,948,295	21,128,758	50,889,136	1,656	5.12%

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 5 to the financial statements.

(a) population Data is from Table 18

(b) personal income data is from Table 18

CITY OF FOUNTAIN, COLORADO

RATIOS OF WATER FUND DEBT OUTSTANDING LAST TEN FISCAL YEARS (Unaudited)

TABLE 15

WATER FUND

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water Fund Debt Outstanding										
2003 Water Rights Loan	\$ 436,200	\$ 363,500	\$ 290,800	\$ 218,100	\$ 145,400	\$ 72,700	\$ -	\$ -	\$ -	\$ -
2005 Loan Payable CWRPDA	7,390,000	7,215,000	7,035,000	6,850,000	200,000	-	-	-	-	-
2007 Water Rights Loan	234,300	195,250	156,200	117,150	78,100	39,050	-	-	-	-
2008 Water Rights Loan	1,382,812	1,334,065	1,281,793	1,225,743	1,165,641	-	-	-	-	-
2009 Loan Payable CWRPDA	8,510,000	8,350,000	8,185,000	8,015,000	7,835,000	7,650,000	-	-	-	-
2011 Loan Payable CWRPDA		9,350,000	9,350,000	9,175,000	8,995,000	8,990,000	8,620,000	8,425,000	8,225,000	8,015,000
2013 Loan Payable CWRPDA				12,162,361	11,918,594	11,669,827	11,416,061	11,157,295	10,888,529	10,614,763
2014 Loan Payable CWRPDA					18,222,508	18,113,302	17,659,096	17,189,889	16,705,682	16,211,475
2015 City of Fountain Revenue Bond						4,024,695	3,942,705	3,855,715	3,768,725	3,676,735
2016 City of Fountain Revenue Bond							7,773,376	7,501,683	7,224,989	6,948,295
2016 Capital Lease							11,958	9,473	8,681	5,211
2017 Capital Lease								127,085	99,788	72,542
2019 City of Fountain Revenue Bond										8,451,503
Total Water Fund Debt Outstanding	\$ 17,953,312	\$ 26,807,815	\$ 26,298,793	\$ 37,763,354	\$ 48,560,243	\$ 50,559,574	\$ 49,423,196	\$ 48,266,140	\$ 46,921,394	\$ 53,995,525
Number of Active Water Service Connections	7,219	7,514	7,695	7,695	7,844	7,988	8,050	8,200	8,344	8,458
Water Fund Debt per Active Water Service Connection	\$ 2,487	\$ 3,568	\$ 3,418	\$ 4,908	\$ 6,191	\$ 6,329	\$ 6,140	\$ 5,886	\$ 5,623	\$ 6,384

Note: Details regarding the City's outstanding debt including premium by issue can be found in Note 5 to the financial statements.

Source: City of Fountain, Colorado, audited financial statements, 2010-2019 and Utility Billing Records, 2010-2019

CITY OF FOUNTAIN, COLORADO

DIRECT AND OVERLAPPING DEBT DECEMBER 31, 2019 (Unaudited)

TABLE 16

Government Entity	Debt Outstanding (d)	Estimated Percentage Applicable (b)	Estimated Share of Overlapping (a) Debt
Fountain/Fort Carson School District #8	\$ 13,110,000	100.00%	\$ 13,110,000
El Paso County	125,926,362	2.77%	\$ 3,488,633
Widefield School District #3	63,293,750	10.64%	\$ 6,736,172
Cumberland Green Metro District (c)	5,700,000	100.00%	\$ 5,700,000
Total Overlapping Debt	208,030,112		29,034,805
City of Fountain Direct Debt	4,829,711	100.0%	4,829,711
Total Direct and Overlapping Debt	\$ 212,859,823		\$ 33,864,516

Notes:

(a) 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 Fountain. This process recognizes that, when considering the City of Fountain'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.

(b) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

(c) Debt for Cumberland Green Metro District is general obligation debt.

(d) Source: Individual entity year-end financial statements and footnotes to those statements.

CITY OF FOUNTAIN, COLORADO

LARGEST EMPLOYERS LAST YEAR (Unaudited)

TABLE 17

Employer	2019	
	Employees	Percentage of Total County Employment (a)
Fort Carson	33,635	10.15%
Widefield School District #3	1,682	0.51%
Fountain/Fort Carson School District #8	1,068	0.32%
Wal-Mart	855	0.26%
Dillon/GHC	535	0.16%
City of Fountain	302	0.09%
Total	38,077	11.49%

Source: Fort Carson and school district websites, Wal-Mart, & Dillon. Total El Paso County employment information used to calculate the percentage of total county employment from the Colorado Department of Labor and Employment.

Note: Largest employers from nine years ago is not available.

(a) 2019 El Paso County employment was 331,453

CITY OF FOUNTAIN, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS (Unaudited)

TABLE 18

Year	Fountain Population (a)	Personal Income El Paso County (thousands of dollars) (b)	Personal Income Fountain (thousands of dollars) (c)	Per Capita Personal Income (b)	Unemployment Rate (d)
2010	25,846	24,035,091	991,530	38,363	9.7
2011	26,475	25,420,872	1,056,591	39,942	9.1
2012	26,885	26,374,299	1,099,408	40,611	8.8
2013	27,265	26,374,299	1,114,948	40,541	7.8
2014	28,470	26,940,874	1,194,174	41,945	6.0
2015	28,650	27,210,283	1,207,733	42,155	4.6
2016	29,375	29,262,206	1,274,434	43,385	3.5
2017	29,804	30,565,961	1,323,566	44,409	3.4
2018	29,747	32,522,267	1,383,563	46,511	3.9
2019	30,735	47,066,809	994,216	32,348	3.3

Source: Department of Local Affairs-Demography Section, U.S. Department of Labor-Bureau of Labor Statistics and Bureau of Economic Analysis-an agency of the U.S. Department of Commerce.

- (a) 2010-2011 per Colorado State Demographer's Office statistics, 2012 to 2014 is from the US Census Bureau. 2014-2016 population estimate is from US Census Bureau. 2017-2019 per City Planning Department.
- (b) The data reported for Personal Income and Per Capita Personal Income is for El Paso County and has been updated per State of Colorado Labor and Employment Data Section.
- (c) Personal Income for Fountain is calculated by multiplying Fountain population by Per Capita Personal Income.
- (d) Unemployment rate is for Colorado Springs Metro Area not seasonally adjusted per the Bureau of Labor Statistics and State of Colorado, Division of Employment and Training for 2010-2017. For 2018-2019, unemployment rate is for El Paso County.

CITY OF FOUNTAIN, COLORADO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

TABLE 19

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Municipal Court	2.00	2.00	2.00	2.00	2.00	1.00	1.75	2.00	2.00	2.00
City Administration	5.00	5.00	5.00	4.00	5.00	5.00	6.00	7.00	6.50	6.50
Finance	3.00	4.00	4.00	4.00	4.00	4.00	4.45	4.45	4.45	4.50
Human Resource	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Facilities	2.00	2.00	1.00	1.00	2.00	2.00	1.00	2.00	2.00	2.00
Planning & Zoning	3.30	3.40	3.25	2.85	3.00	4.00	4.00	4.00	4.00	4.00
Engineering	2.50	2.50	2.50	2.50	2.00	2.00	4.00	4.00	4.00	4.00
Economic Development	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Information Technology	4.00	4.00	4.00	5.00	5.00	5.00	5.75	5.75	8.75	8.75
Public Safety										
Police										
Patrol	26.00	27.00	29.00	29.00	30.25	33.25	32.00	37.00	37.00	38.00
K-9 Patrol	1.00	1.00	0.25	0.50	2.00	2.00	2.00	1.00	1.00	1.00
Administration	3.00	4.00	4.00	4.00	5.00	5.00	6.75	5.00	5.00	5.00
Support Services	17.00	17.65	18.00	18.00	16.00	16.00	5.00	5.75	5.75	5.75
Investigations	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
School Resource/DARE Program	2.00	2.00	3.00	3.00	3.00	3.65	7.05	7.75	9.00	9.00
Drug Task Force	1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Fire										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Emergency Services	19.00	19.75	20.35	20.75	20.65	21.35	25.65	29.75	31.65	36.00
Prevention Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ambulance										
Emergency Medical Services	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Public Works										
Street & Drainage Maintenance	9.30	8.00	8.50	8.45	7.80	7.35	8.30	9.00	9.00	9.00
Bus Transportation										
Bus Drivers			6.00	4.50	4.50	4.50	4.75	5.00	5.00	5.00
Health and Welfare										
Code Enforcement	2.00	2.00	2.00	2.00	2.00	2.00	3.50	3.50	3.50	3.75
Cultural & Recreation										
Parks Maintenance	6.60	4.50	4.65	6.40	5.80	6.20	7.75	7.50	7.00	7.25
Recreation Programs						1.85	3.00	3.55	4.25	4.70
Water Utility										
Administration	2.50	2.50	2.50	2.50	1.50	1.50	1.50	1.50	1.50	1.50
Water Resource	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Conservation	0.50	0.00	0.00	0.00	0.50	0.50	0.50	0.00	0.00	0.00
Water Operations	10.75	10.90	11.00	11.00	11.00	11.00	11.00	13.00	10.00	12.00
Electric Utility										
Administration	3.50	4.45	4.55	4.50	4.00	4.20	4.25	4.25	4.25	5.25
Engineering/Planning	5.00	5.00	5.00	5.00	5.00	3.45	4.00	2.00	2.00	2.00
Electric Distribution	20.50	19.20	19.20	19.20	19.15	19.90	19.90	19.50	20.50	20.50
Electric Conservation	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.00	0.00	0.00
Inventory Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service - Utilities										
Administration	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Conservation Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Customer Service	10.00	10.00	10.00	10.00	10.00	8.00	6.00	6.00	6.00	6.00
Customer Billing	3.00	3.00	3.00	5.00	5.00	4.00	6.00	8.00	8.00	8.00
Field Service	3.00	3.00	2.00	2.00	2.00	3.00	2.00	4.00	5.00	5.00
Fleet Services										
Fleet Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	7.00	7.00	7.00	7.50
Total	200.45	201.85	207.75	210.15	211.65	216.20	226.35	241.25	246.10	255.95

Source: City of Fountain Finance Department

CITY OF FOUNTAIN, COLORADO

CAPITAL AND OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (Unaudited)

TABLE 20

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
Public Safety										
Fire Department										
Fire career staff	30	33	33	33	39	39	47	55	55	50
Volunteers	60	65	50	40	30	40	26	26	20	20
Fire Insurance Rating	5	5	5	5	3	3	3	3	3	3
Fire emergency responses	3,445	3,556	3,736	3,747	3,785	4,314	4,406	5,007	5,186	4,820
Fire hydrants	1,175	1,175	1,205	1,205	1,205	1,210	1,210	1,210	1,215	1,300
Number of fire stations	3	3	3	3	3	3	3	3	3	3
Number of fire trucks/implements	11	11	11	11	12	12	12	12	12	12
Police Department										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Sworn officers	40	39	41	41	41	46	50	55	58	58
Reserve officers	4	3	3	3	3	3	3	2	1	1
Calls for service	30,107	38,987	41,353	40,873	42,862	40,672	46,529	42,110	39,856	47,305
Homicides	1	1	0	0	0	1	1	1	3	4
Sexual assaults	44	82	61	59	43	32	18	50	73	63
Robbery	10	13	16	9	15	9	20	9	14	18
Assault	104	92	89	77	53	158	100	126	30	70
Larceny-thefts	516	551	531	580	383	687	899	335	283	295
Traffic citations	1,877	3,185	3,397	3,333	3,264	3,265	3,894	2,945	3,866	4,802
Adult arrests	974	1,388	922	1,080	500	1,279	2,740	2,257	1,094	1,222
Juvenile arrests	243	211	112	251	195	249	406	377	221	156
Domestic violence cases	374	688	198	144	376	625	712	691	81	179
Military custodial arrests	68	67	38	40	26	441	274	23	0*	0*
Public Works										
Miles of paved street	99.1	99.0	99.0	100.6	100.6	102.7	102.7	104.4	104.4	105.6
Miles of gravel road	3.4	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4
Traffic signals	2	2	2	2	2	2	2	3	4	5
Pedestrian cross walks	75	75	75	75	75	85	85	130	133	135
Cemetery										
City owned Cemeteries	1	1	1	1	1	1	1	1	1	1
Cultural & Recreation										
Developed parks	7	8	8	8	9	10	10	12	12	11
Open space acres	288.5	288.5	288.5	288.5	288.5	326.5	326.5	330	330	330
Miles of trails	6	6	6	6	6	10	10	10	10	10
Number of pavilions	6	6	6	6	6	6	6	13	13	13
Number of gazebos	2	2	2	2	2	2	2	2	2	2
Number of splash pads	1	1	1	1	1	1	1	1	1	1
Number of baseball/softball fields	6	6	6	6	6	5	5	5	5	5
Number of dog park areas	1	1	1	1	1	1	1	1	1	1
Number of concession stands	0	0	1	1	1	2	2	2	2	2
Water Utility										
Number of accounts	7,218	7,267	7,420	7,453	7,583	7,674	7,779	7,942	8,344	8,458
Average daily consumption (gallons)	2,388,278	2,377,927	2,546,523	2,117,046	2,145,473	1,997,258	2,070,185	1,086,355	2,098,586	1,990,803
Annual consumption (gallons)	871,721,559	867,943,362	929,481,186	772,721,738	783,097,509	728,999,184	755,617,619	735,663,943	765,984,075	726,643,140
Distribution system (miles) (a)	122	122	129	123	123	123	123	128	129	133
Number of wells	5	5	5	5	5	5	5	6	6	6
Potable Storage Tank Capacity (in gallons)	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	8,375,000	7,880,000	8,250,000	8,250,000
Electric Utility										
Number of accounts	15,687	15,812	16,008	16,585	16,920	17,028	17,144	17,364	17,370	18,814
Peak demand (megawatts)										
Summer-July	44	48	52	50	50	51	53	56	59	62
Winter-December	37	38	39	41	40	39	41	42	41	40
Average daily consumption (kwh)	547,009	557,379	565,717	574,812	565,510	584,246	598,184	597,577	619,031	602,206
Annual consumption	199,658,359	203,443,321	206,486,804	209,806,427	206,411,358	213,249,885	218,337,233	218,115,612	225,946,310	219,805,340
Distribution system (miles)	550	550	550	565	565	596	596	621	626	627
Number of substations	2	2	2	2	2	2	2	2	2	2
Miles of transmission lines	2	2	2	2	2	2	2	2	3	2
Number of street lights (b)	2,314	2,946	2,920	2,930	2,930	2,997	2,664	2,911	2,826	2,855

Source: City of Fountain Fire, Police, Public Works, Parks, Water and Electric departments.

*Military Custodial Arrests not tracked in 2018

City of Fountain, Colorado

Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT		City or County: FOUNTAIN	
		YEAR ENDING : December 2019	
This Information From The Records Of City of Fountain		Prepared By: Shawna Dail	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)	375,608
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	766,282
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	21,952
2. General fund appropriations	1,515,758	b. Snow and ice removal	28,708
3. Other local imposts (from page 2)	295,900	c. Other	
4. Miscellaneous local receipts (from page 2)	373,813	d. Total (a. through c.)	50,660
5. Transfers from toll facilities		4. General administration & miscellaneous	370,606
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,645,197
a. Bonds - Original Issues		6. Total (1 through 5)	3,208,353
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,185,470	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,022,883	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,208,353	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,208,353

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
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
		3,208,353	3,208,353		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy):12/18	
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	358,307
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	295,900	g. Other Misc. Receipts	15,505
6. Total (1. through 5.)	295,900	h. Other	
c. Total (a. + b.)	295,900	i. Total (a. through h.)	373,813
	(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	936,763	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	86,119	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	86,119	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,022,883	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		28,829	28,829
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		346,779	346,779
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	346,779	346,779
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	375,608	375,608
			(Carry forward to page 1)
Notes and Comments:			