

**CITY OF
CENTRAL, COLORADO**

BASIC FINANCIAL STATEMENTS

December 31, 2020

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FINANCIAL SECTION

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**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Honorable Mayor and Members of the City Council
City of Central,
Central City, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central as of December 31, 2020, 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, the budgetary comparison information, the schedule of the changes in net pension liability, the schedules of the City's proportionate share, and the schedules of the City's contributions on pages 43-49 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's basic financial statements. The combining and individual fund statements and schedules and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the local highway finance report are fairly stated in all material respects in relation to the financial statements as a whole.

PB Solutions LLC

Littleton, Colorado

July 14, 2021

City of Central, Colorado
Management Discussion & Analysis
December 31, 2020

As management of the City of Central, (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended December 31, 2020.

USING THIS ANNUAL REPORT

This discussion and analysis report is intended to serve as an introduction to the City’s basic financial statements and provide the reader with greater detail and explanation of areas and/or issues the City’s Management feels are significant. This discussion and analysis is divided into two basic parts. The first section provides an overview and discussion of the basic components of the financial statements. The second section of this report provides figurative analysis of the financial statements themselves. Management recommends reviewing the financial statements in conjunction with this report.

The City’s financial statements are comprised of several components including: government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, other supplementary information, and compliance reports. Each of these components provides readers with differing levels of detail and discusses the City’s activities and financial position in different scopes.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. For that reason, the government-wide financial statements are calculated using the accrual basis of accounting like the private-sector. Government-wide statements incorporate all aspects of the City’s financial condition and provide the reader a general knowledge of its financial activities.

The *Statement of Net Position* presents information on all City assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City’s net position changed during the most recent fiscal year. While the *Statement of Net Position* focuses on total changes in assets and liabilities, the *Statement of Activities* focuses on the underlying causes of those total changes. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions of the City 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 include general government, public safety (police services), public works, community development, fire, and

City of Central, Colorado
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historic preservation. The business-type activities of the City include water distribution and system maintenance.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements: Fund Financial Statements detail the status and changes within certain Fund groups. 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into two separate categories: Governmental Funds and Proprietary 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. The balances left at year-end are available for spending in future years, provided that balances restricted for certain purposes are spent for those purposes only. Governmental Funds utilize the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements display detailed short-term views of cash, operations, and the basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

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 a government's near-term financing decisions. Both the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds* provide reconciliations to facilitate this comparison between governmental funds reported on the modified accrual basis of accounting, and governmental activities reported on the full accrual basis.

The City of Central maintains eight (8) individual governmental funds. Information is presented by fund name in the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds* for five of these funds because they meet the criteria to be considered "major funds" (General Fund, Historic Preservation Fund, Transportation Fund, Capital Improvement Fund, and Public Safety Fund). The other three (Conservation Trust Fund, Public Property Trust Fund, and Impact Fees Fund) are combined in a column titled "Nonmajor Governmental Funds." Individual fund data for these nonmajor governmental funds is provided in the back of this report in the section titled "Supplementary Information."

Proprietary Fund--The City's water utility operations and all related financial activity are reported in a proprietary fund known as the Water Fund. Proprietary funds focus on overall economic position rather than year-end fund balances, and they utilize the full accrual method of accounting. An Enterprise Fund is the type of proprietary fund used to account for utility operations. It reports the same functions that are presented as business-type activities in the government-wide financial

City of Central, Colorado
Management Discussion & Analysis
December 31, 2020

statements, only in a bit more detail. Proprietary fund financial statements can be found on pages 7-9 of this report.

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 are the final section of the basic financial statements. They can be found on pages 10-42 of this report.

Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's budget and pension plan. Certain pension plan information and budgetary comparison statements for the General Fund, Historic Preservation Fund, Transportation Fund, and Public Safety Fund are included as "Required Supplementary Information" (RSI) on pages 43-49 of this report. Combining information for the non-major funds and budgetary comparison schedules for the funds not included in RSI are displayed on pages 50-56 in the "Supplementary Information" section of the report. These statements and schedules demonstrate compliance with the City's adopted and final revised budgets.

Government-Wide Financial Analysis

As mentioned previously, net position may serve over time as a useful indicator of a government's financial position. The chart on the following page displays the changes in net position experienced by the City over the last two years. The City of Central's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$36,838,410 at the close of 2020.

City of Central, Colorado
Management Discussion & Analysis
December 31, 2020

City of Central's Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 6,240,121	\$ 6,386,618	\$ 787,204	\$ 674,585	\$ 7,027,325	\$ 7,061,203
Capital assets, net	22,870,660	25,108,363	9,299,120	9,533,768	32,169,780	34,642,131
Net pension asset--FPPA	3,594	-	-	-	3,594	-
Total assets	\$ 29,114,375	\$ 31,494,981	\$ 10,086,324	\$ 10,208,353	\$ 39,200,699	\$ 41,703,334
Deferred Outflows of Resources	\$ 47,931	\$ 72,478	\$ -	\$ -	\$ 47,931	\$ 72,478
Current liabilities	\$ 524,728	\$ 477,776	\$ 31,515	\$ 78,908	\$ 556,243	\$ 556,684
Long-term debt outstanding	1,020,115	1,135,286	488,310	503,254	1,508,425	1,638,540
Net pension liability--Volunteer Fire	53,641	95,516	-	-	53,641	95,516
Total liabilities	\$ 1,598,484	\$ 1,708,578	\$ 519,825	\$ 582,162	\$ 2,118,309	\$ 2,290,740
Deferred Inflows of Resources	\$ 291,911	\$ 624,945	\$ -	\$ -	\$ 291,911	\$ 624,945
Net position:						
Net investment in capital assets	\$ 22,062,905	\$ 24,150,683	\$ 8,823,251	\$ 9,040,904	\$ 30,886,156	\$ 33,191,587
Restricted	2,523,561	2,565,482	-	-	2,523,561	2,565,482
Unrestricted	2,685,445	2,517,771	743,248	585,287	3,428,693	3,103,058
Total net position	\$ 27,271,911	\$ 29,233,936	\$ 9,566,499	\$ 9,626,191	\$ 36,838,410	\$ 38,860,127

The largest portion of the City's total net position is its investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets net of related debt account for 83.8% of total net position. While capital assets make up the most significant portion of the City's net position, it is the current assets comprised of cash, investments, and receivables with which the City operates. These assets remained fairly static from the end of 2019 to the end of 2020, with a slight decline of \$33,878 (-0.04%). Overall, the City's Total Net Position decreased by 5.2%, or \$2,021,717, because the \$2,761,418 depreciation of the City's capital assets exceeded its other operating gains.

In the Governmental Activities, current assets at December 31, 2020 exceeded total liabilities by \$4,641,637 (290.3%). In the Business-type Activities, current assets exceeded total liabilities by \$267,379 (51.4%).

Approximately 6.8% of the City's total net position is restricted for emergencies, historic preservation, capital assets, and parks and open space. The remainder may be used to meet the City's obligations to residents, businesses, and creditors. The City utilizes both capital assets and current assets to provide services to citizens, local businesses, and visitors and to fund daily City operations.

The chart below displays the changes in net position experienced by the City over the last two years. An analysis of these changes follows for both its Governmental and Business-type Activities.

City of Central, Colorado
Management Discussion & Analysis
December 31, 2020

City of Central's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ 215,555	\$ 173,035	\$ 668,274	\$ 676,713	\$ 883,829	\$ 849,748
Operating grants & contributions	645,999	798,374	-	-	645,999	798,374
Capital grants & contributions	5,365	50,248	131,772	931,458	137,137	981,706
General revenues:					-	
Taxes	1,740,324	1,815,813	-	-	1,740,324	1,815,813
State Gaming Tax	556,747	1,019,793				
Gaming device fees	1,500,599	2,554,717	-	-	556,747	2,554,717
Investment income	30,948	70,958	2,887	5,161	33,835	76,119
Other revenue	188,922	126,142	1,536	-	190,458	126,142
Proceeds from sale of assets	29,000	-	-	-	29,000	-
Transfer In/(Out)	-	(70,000)	-	70,000	-	-
Total revenues	\$ 4,913,459	\$ 6,539,080	\$ 804,469	\$1,683,332	\$ 4,217,329	\$ 7,202,619
Program expenses:						
General Government	\$ 1,245,752	\$ 1,346,158	\$ -	\$ -	\$ 1,245,752	\$ 1,346,158
Community Development	383,848	1,247,019	-	-	383,848	1,247,019
Public Safety	1,070,364	809,025	-	-	1,070,364	809,025
Public Works	3,603,492	3,928,051	-	-	3,603,492	3,928,051
Fire	295,151	579,616	-	-	295,151	579,616
Historic Preservation	254,633	254,868	-	-	254,633	254,868
Interest on Long-Term Debt	22,244	52,397	-	-	22,244	52,397
Water	-	-	864,161	921,310	864,161	921,310
Total expenses	\$ 6,875,484	\$ 8,217,134	\$ 864,161	\$ 921,310	\$ 7,739,645	\$ 9,138,444
Increase/(decrease)in net assets	\$ (1,962,025)	\$ (1,678,054)	\$ (59,692)	\$ 762,022	\$ (2,021,717)	\$ (916,032)
Net Position, Beginning	29,233,936	30,911,990	9,626,191	8,864,169	38,860,127	39,776,159
Net Position, Ending	\$27,271,911	\$29,233,936	\$ 9,566,499	\$9,626,191	\$36,838,410	\$38,860,127

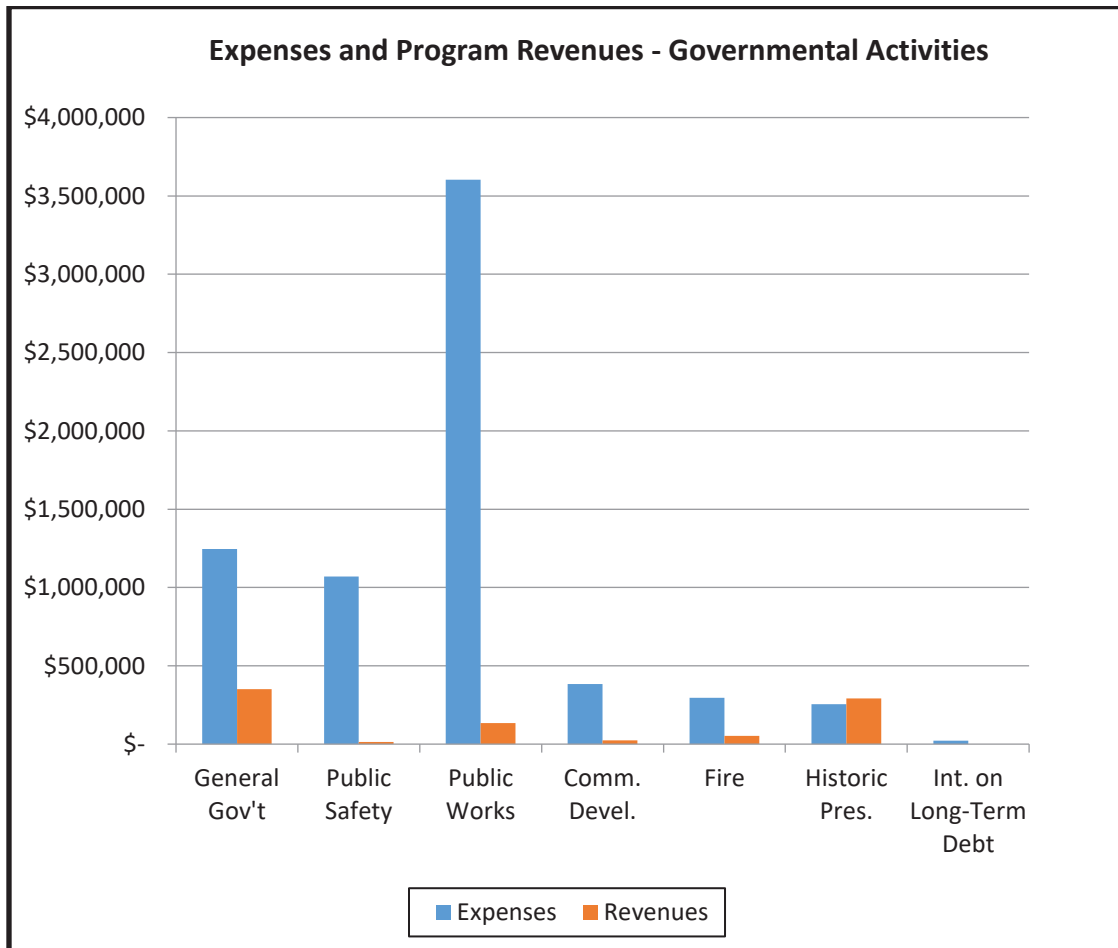
Governmental Activities

Governmental activities caused the City's net position to decrease by \$1,962,025 in 2020. Key elements of this decrease are as follows:

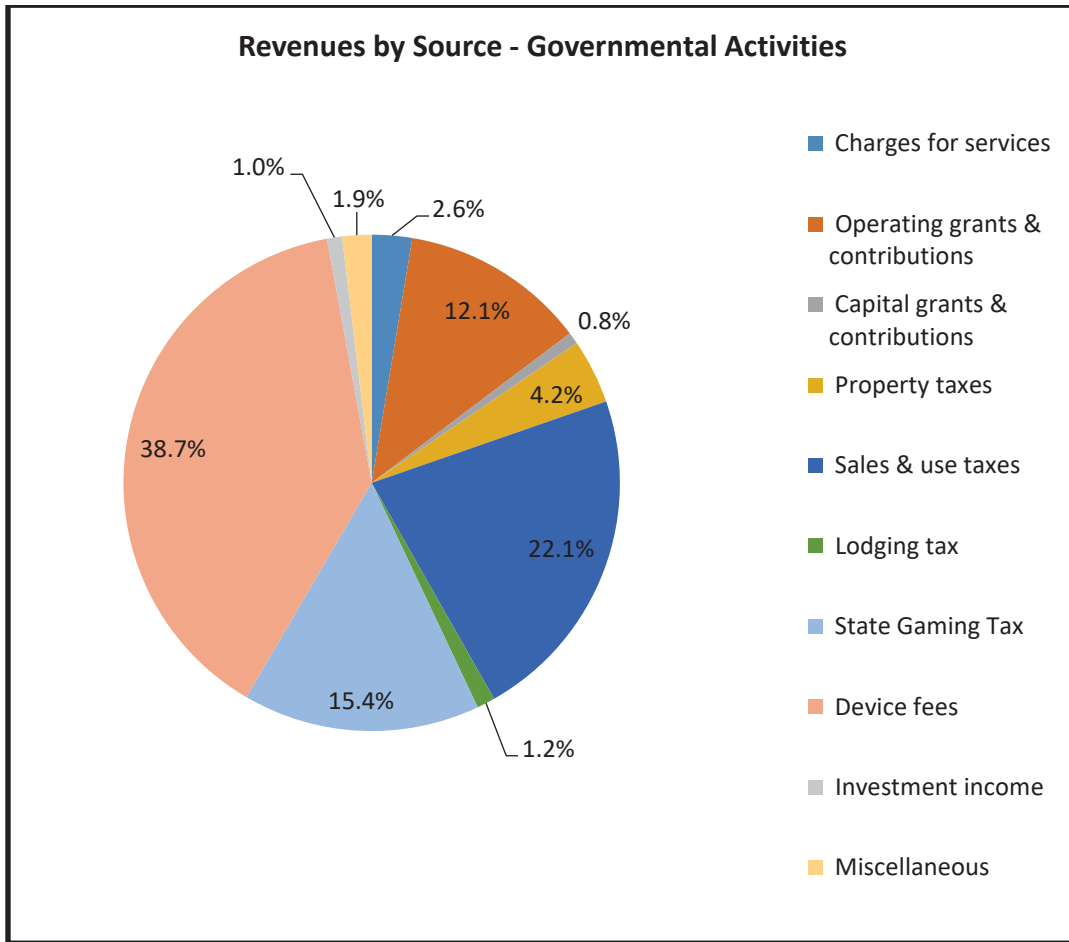
- Depreciation within the program expenses totaled \$2,464,373 in 2020 for Governmental Activities.
- State Gaming Tax decreased by \$463,046 (45.4%) and the City's revenue from Taxes decreased by \$75,489 (4.1%) during 2020 due to reduced tourism during the business restrictions imposed during the Corona virus pandemic.
- Gaming licenses and device fees decreased by \$1,054,118 (41.2%) during 2020 due to restrictions imposed on casinos and travelers during the Corona virus pandemic, and the City's forgiveness of device fees for 2-1/2 months during the Spring of 2020.

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The following two charts illustrate the 2020 expenses and related program revenues of the Governmental Activities.



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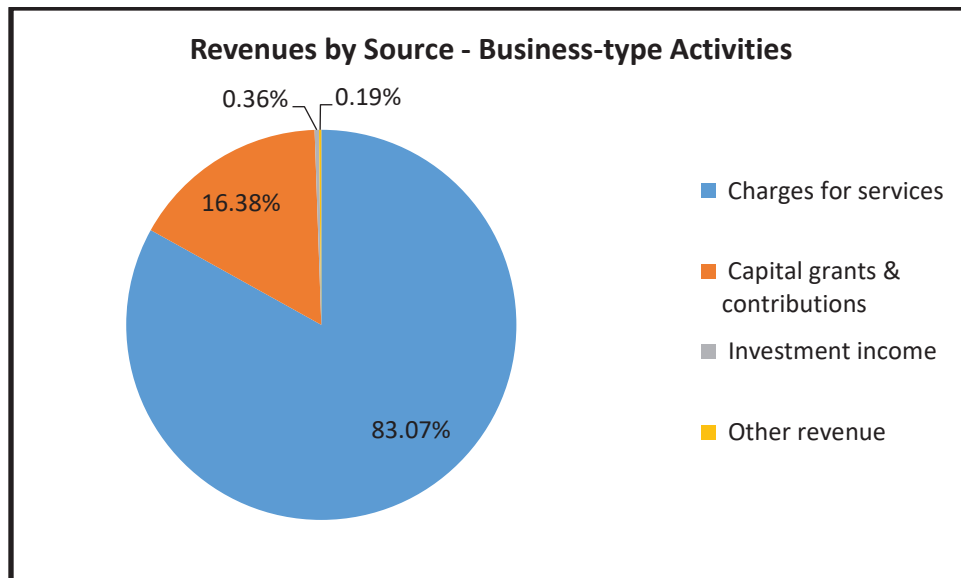
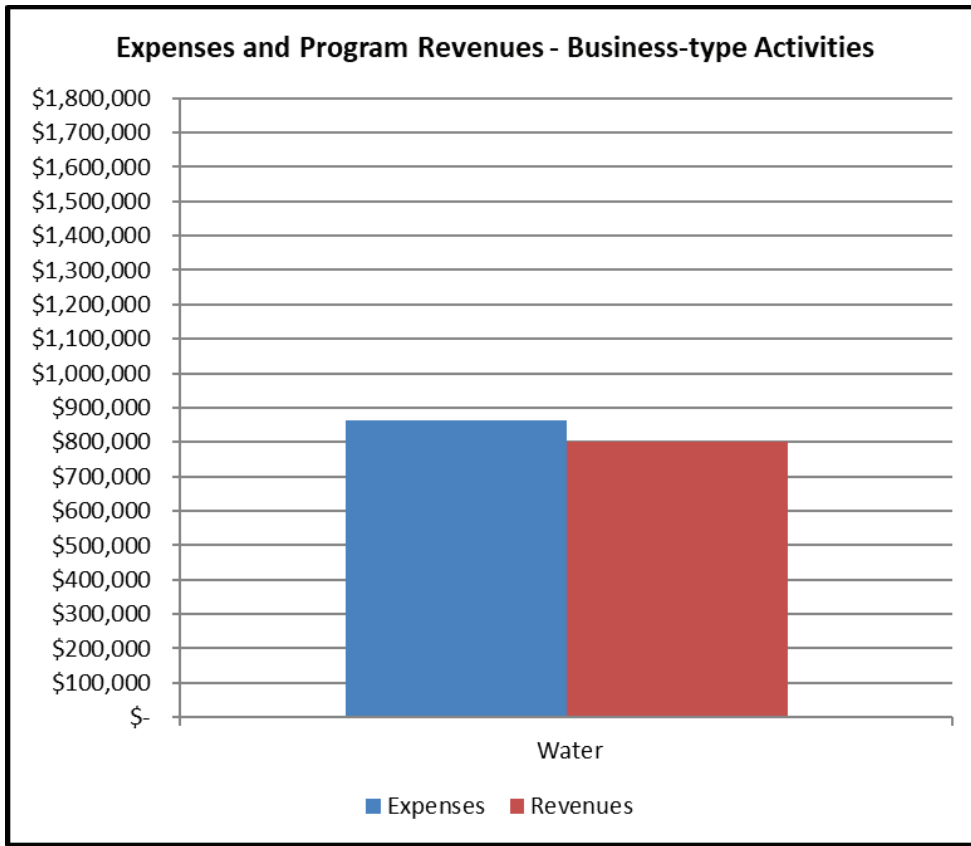
Device fees and state gaming taxes comprised 41.8% of the revenues for Governmental Activities in the City of Central in 2020. This represented a decline from 54.1% in 2019. Management closely tracks these revenues because of their importance to the City’s budget.

Business-type Activities

Business-type activities caused the City’s net position to decrease by \$59,692 in 2020. Charges for services stayed fairly constant with a very slight decrease of \$7,271 (1.1%). Charges for services exceeded operating expenses not including depreciation by \$101,158 (17.8%).

The following two charts illustrate the Business-type Activities total expenses including depreciation and related program revenues. Program revenues included capital grants and contributions of \$131,772 from service line fees and capital improvement fees in addition to the charges for services discussed above.

**City of Central, Colorado
Management Discussion & Analysis
December 31, 2020**



City of Central, Colorado
Management Discussion & Analysis
December 31, 2020

Fund Financial Analysis

As noted earlier, the City of Central uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (fund balances) in each fund are shown at year end. At the close of 2020, the City’s governmental funds reported combined ending fund balances of \$5,460,883. This was an increase of \$120,618 (2.3%) over the prior year’s ending fund balances. Although revenues decreased by \$1,695,621 (25.6%) due to fluctuations in grant revenues and reduced gaming revenues during the pandemic, expenditures decreased by \$2,939,786 (38.0%) compared to 2019 primarily due to reductions in economic development incentives, public works operations, and capital outlay.

The following chart details the City’s governmental fund balances for the past ten (10) years:

City of Central Ending Governmental Fund Balances

Fund	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General	\$ 1,153,136	\$ 1,594,416	\$ 1,585,809	\$ 2,263,848	\$ 2,632,780	\$ 3,195,011	\$ 3,562,725	\$ 4,179,433	\$ 2,166,483	\$ 2,377,387
Transportation	-	-	-	-	1,036,963	903,560	1,006,456	726,806	577,837	394,275
Capital Improvement	-	-	-	-	938,042	702,966	667,614	606,170	260,463	307,660
Historic Preservation	999,475	467,139	239,395	218,420	341,390	386,807	724,879	931,440	2,031,391	2,078,016
Public Safety ¹	-	-	-	-	-	-	-	-	155,163	163,298
TABOR ²	204,248	204,726	204,932	205,021	-	-	-	-	-	-
Conservation Trust	38,811	38,688	45,937	52,479	59,086	67,461	74,878	83,945	93,405	84,429
Capital Projects	-	-	-	-	-	-	-	-	-	-
Debt Service	29,135	21,979	-	-	-	-	-	-	-	-
Public Property Trust	225,928	226,559	227,075	(11,754)	(11,029)	-	-	-	43,066	43,299
Impact Fees Fund	(144,081)	(144,081)	(129,585)	(129,585)	(129,585)	-	6,018	6,018	12,457	12,519
Total	\$ 2,506,652	\$ 2,409,426	\$ 2,173,563	\$ 2,598,429	\$ 4,867,647	\$ 5,255,805	\$ 6,042,570	\$ 6,533,812	\$ 5,340,265	\$ 5,460,883

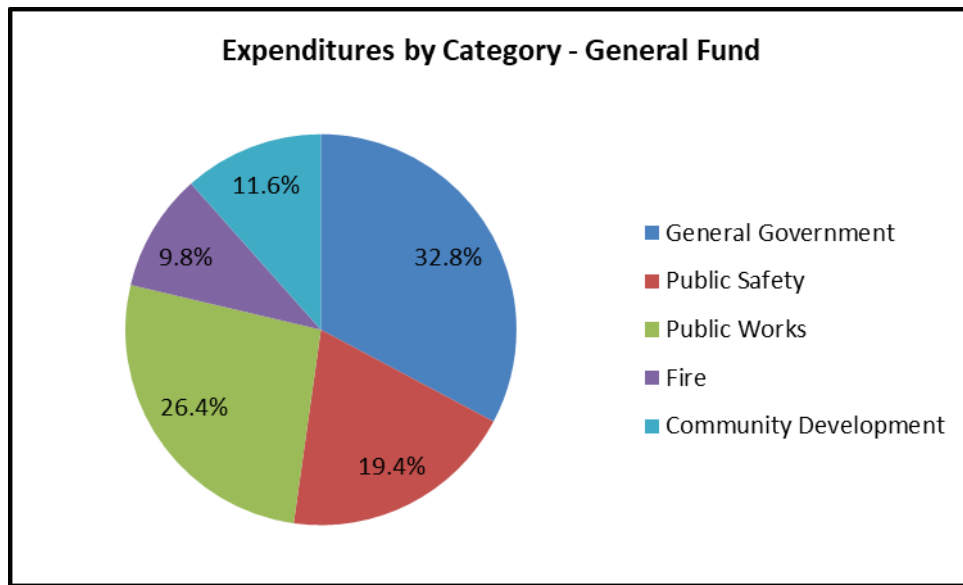
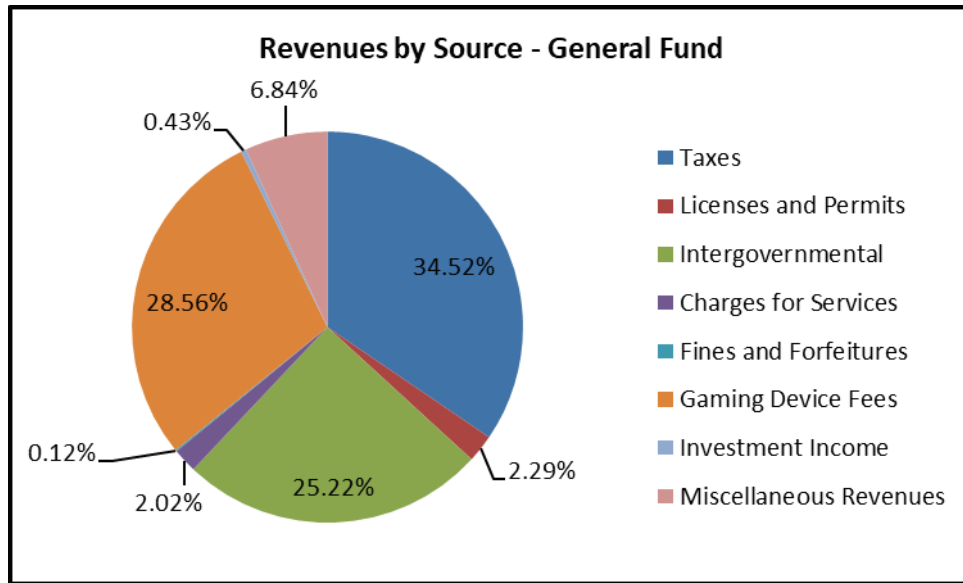
¹ Public Safety Fund was established in 2019.
² TABOR Fund was combined with General Fund beginning in 2015

The General Fund Balance improved steadily from 2015 – 2018. During 2019, transfers totaling \$1,562,555 were made from the General Fund to the Historic Preservation Fund (\$1,000,000), Transportation Fund (\$492,555), and Water Fund (\$70,000). During 2020, the General Fund Balance increased again by \$210,904.

General Fund: The General Fund is the chief operating fund of the City of Central. It accounts for all of the general services provided by the City. The General Fund Balance increased in 2020 by \$210,904 (9.7%) over 2019. Revenues decreased by \$871,192 (19.8%) in 2020 primarily due to gaming device fees and intergovernmental revenues. General Fund expenditures decreased by \$1,532,491 (31.5%) during 2020 primarily due to reduced economic development incentives, capital outlay, and general government, fire, and public works operations.

The following two tables illustrate General Fund revenues and expenditures during 2020.

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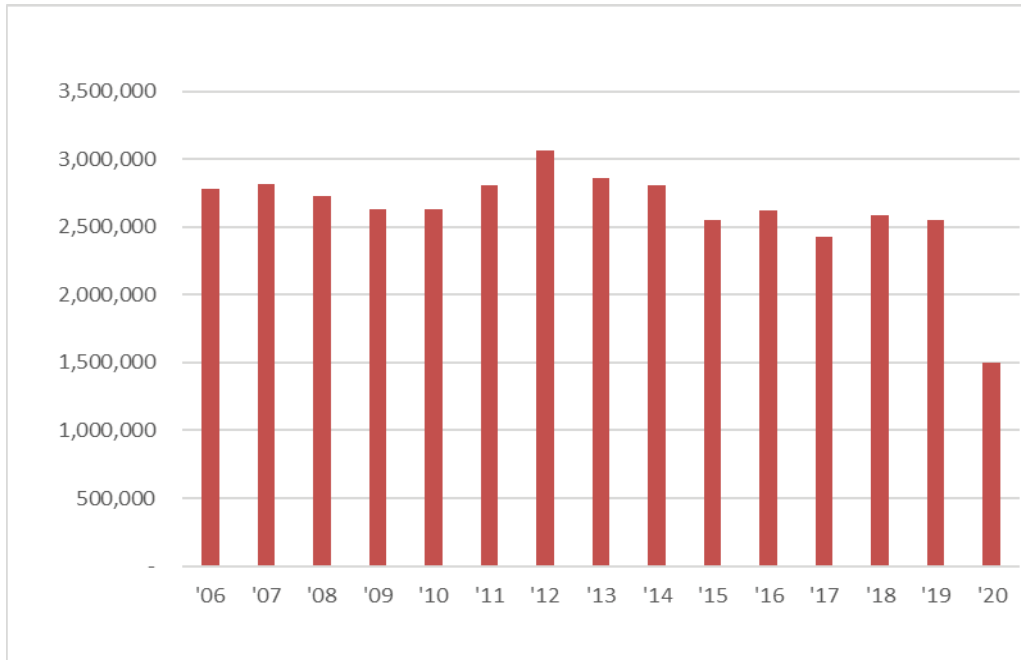


During 2020, the City received \$3,530,795 in General Fund revenues. The percentage of the total General Fund revenues derived from Taxes increased from 29.79% in 2019 to 34.52% in 2020. The percentage of total General Fund expenditures spent for Community Development activities decreased from 25.7% in 2019 to 11.6% in 2020 primarily due to economic development incentives in 2019.

Device Fees and Licenses: Device fees are the City’s most significant source of revenue. During 2020, device fees and licenses collected by all governmental funds totaled \$1,500,599 and accounted for 30.5% of all governmental fund revenues. The graph below illustrates the total amount of device revenue collected for all governmental funds over the last fifteen years. The reduction in 2020 due to the restrictions on travel and tourism during the pandemic, and due to the City’s associated forgiveness of Gaming Device Fees for 2-1/2 months, are clearly seen in the graph below. Gaming Device Fees were \$1,054,118 (41.3%) lower in 2020 than in 2019.

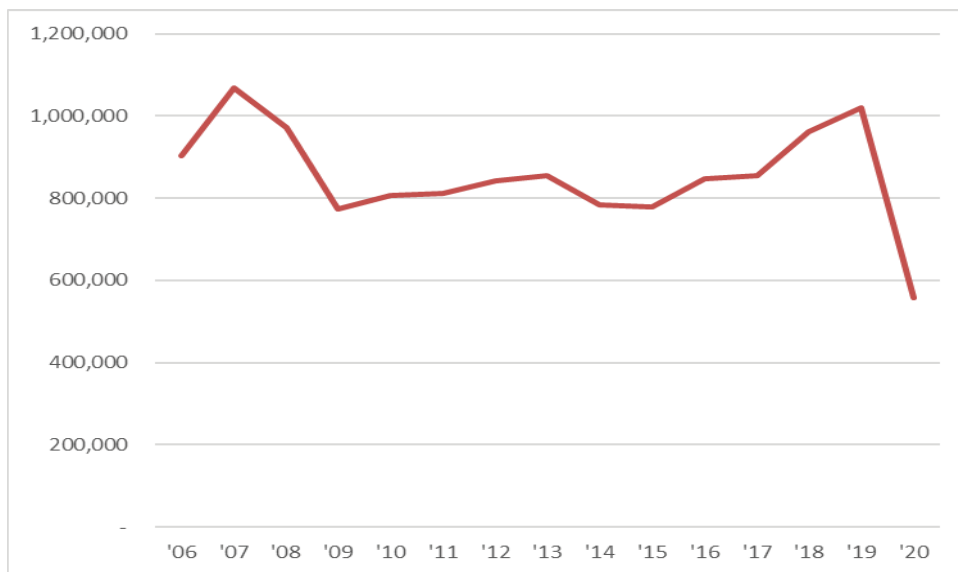
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Gaming Device Revenue



Gaming Taxes: The City’s third most important governmental revenue source after sales/use taxes and gaming device revenue is state gaming taxes. The amount of state gaming tax received annually is based on a calculation involving each Colorado gambling city’s proportion of gaming taxes paid to the state. Central City received \$556,747 in 2020 compared to \$1,019,793 in 2019, which was a decrease of \$463,046 (45.4%). Below is a graph illustrating state gaming tax revenue for the past fifteen years.

State Gaming Tax



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Transportation Fund: The Transportation Fund received \$492,275 in gaming device fees during 2020, which was 58.7% of the amount received in 2019 (\$838,081). During 2020 the Transportation Fund balance decreased by \$183,562 (31.7%). The fund's major expenditures included a truck purchase for street maintenance and snow plowing (\$113,706), shuttle services (\$56,875), repair and maintenance of the Central City Parkway and City streets (\$354,277), and loan repayments as required (\$173,867) to the Colorado Department of Transportation's State Infrastructure Bank.

Capital Improvement Fund: During 2020, the Capital Improvement Fund balance increased by \$47,197 (18.1%). The fund's expenditures included capital improvements of \$112,964 including sidewalks at City Hall, a new pick-up truck with plow and sander, and other public works improvements.

Historic Preservation Fund: The Historic Preservation Fund's most significant source of revenue, historic preservation funding from the state, is also derived from gaming. Like the state gaming tax, historic preservation monies are allocated based on a calculation involving each City's proportionate share of gaming taxes paid to the state. The funds are to be used for the preservation and protection of historical buildings and properties within the City. In 2020, the City received \$271,738 in state grant revenue, which was 59.1% less than in 2019. Other revenues include sales from the Visitors Center and donations for historic restoration projects.

Public Safety Fund: Voters of the City approved a 2% sales and use tax beginning January 1, 2019 for the purpose of funding fire protection and public safety services, programs and facilities. During 2020, the Public Safety Fund received \$348,181 from these taxes. The fund's expenditures of \$341,103 provided police patrol, dispatch, and ambulance services performed by outside agencies.

Water Fund: At December 31, 2020 the Net Position of the Water Fund was \$9,566,499. As mentioned earlier, revenues from charges for services of \$668,274 were similar to 2019. Operating expenses of \$864,161 in 2020 represented a decrease of \$57,149 (6.2%) compared to 2019. The Water Fund had an operating loss of \$-194,351 in 2020 compared to \$-244,597 in 2019. As in most years, the 2020 operating loss for the Water Fund was related to depreciation (\$297,045) of plant and equipment. Charges for services covered 77.5% of operating expenses in 2020 compared to 73.3% of operating expenses in 2019 (and 79.9%, 84.1% and 80.8% of operating expenses in 2018, 2017 and 2016 respectively).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2020 the City had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, utility lines, and streets. Note 4 of the financial statements provides a summary of these assets. City capital acquisitions and expenses during 2020 included:

Water Plant and Lines	\$ 0
Buildings and Improvements	19,496

City of Central, Colorado
Management Discussion & Analysis
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Equipment and Vehicles	225,524
Infrastructure	44,047
Construction in Progress	0

Debt Administration. Note 5 of the financial statements provides a summary of the City’s long-term debt. At December 31, 2020 the City owed \$807,755 on the loan from the Colorado Department of Transportation’s State Infrastructure Bank (SIB). The SIB loan is payable from the general revenues of the governmental funds. At December 31, 2020 the City owed \$475,869 on its interest-free loan from the Colorado Water Resources & Power Development Authority that is payable from Water Fund revenues through 2048. In addition, the City had contractual obligations for compensated absences and accrued longevity pay totaling \$212,360 in the General Fund and \$12,441 in the Water Fund. These debts are to be repaid from revenues of the respective funds as they come due.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Beginning in March 2020, the State of Colorado imposed lengthy restrictions on businesses, recreation, and places of worship with the stated purpose of slowing the spread of the Corona virus so that hospital facilities would not be overwhelmed with patients. The City has been economically impacted by these restrictions, and the full economic impact has yet to be determined.

When the City’s 2021 Budget was prepared, the City’s economic climate was uncertain due to the continuing restrictions on travel and tourism imposed during the Corona virus epidemic, although some improvement during 2021 was anticipated. The 2021 Budget conservatively estimated revenues from the City’s six casinos, and fees, licenses, permits, and other general revenues are projected to improve over 2020 levels.

REQUESTS FOR INFORMATION

This financial report is designed to provide the City of Central’s residents, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the funds and assets it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Central, Finance Department, PO Box 249, Central City, Colorado 80427-0249.

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BASIC FINANCIAL STATEMENTS

CITY OF CENTRAL, COLORADO

STATEMENT OF NET POSITION

December 31, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 5,605,364	\$ 627,040	\$ 6,232,404
Cash Held with County Treasurer	4,190	-	4,190
Receivables			
Property Taxes	263,766	-	263,766
Sales and Other	347,195	-	347,195
Accounts		158,770	158,770
Prepaid Expenses	19,606	1,394	21,000
Capital Assets, Not Depreciated	6,537,898	1,884,261	8,422,159
Capital Assets, Depreciated, Net of Accumulated Depreciation	16,332,762	7,414,859	23,747,621
Net Pension Asset - FPPA	3,594	-	3,594
TOTAL ASSETS	29,114,375	10,086,324	39,200,699
DEFERRED OUTFLOW OF RESOURCES			
Related to Pensions - Volunteer Fire Department Pension Plan	27,871	-	27,871
Related to Pensions - FPPA	20,060	-	20,060
TOTAL DEFERRED OUTFLOWS OF RESOURCES	47,931	-	47,931
LIABILITIES			
Accounts Payable	183,345	25,699	209,044
Accrued Expenses	54,302	5,816	60,118
Unearned Revenue	254,386	-	254,386
Deposits	23,439	-	23,439
Accrued Interest Payable	9,256	-	9,256
Noncurrent Liabilities			-
Due Within One Year	165,848	18,240	184,088
Due in More Than One Year	654,082	458,874	1,112,956
Compensated Absences Due in More Than One Year	109,573	11,196	120,769
Longevity Pay Due in More Than One Year	90,612	-	90,612
Net Pension Liability - Volunteer Fire Department Pension Plan	53,641	-	53,641
TOTAL LIABILITIES	1,598,484	519,825	2,118,309
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions - Volunteer Fire Department Pension Plan	22,489	-	22,489
Related to Pensions - FPPA	5,656	-	5,656
Deferred Property Tax Revenue	263,766	-	263,766
TOTAL DEFERRED INFLOWS OF RESOURCES	291,911	-	291,911
NET POSITION			
Net Investment in Capital Assets	22,062,905	8,823,251	30,886,156
Restricted	2,523,561	-	2,523,561
Unrestricted	2,685,445	743,248	3,428,693
TOTAL NET POSITION	\$ 27,271,911	\$ 9,566,499	\$ 36,838,410

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

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CITY OF CENTRAL, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,245,752	\$ 118,502	\$ 232,265	\$ -
Community Development	383,848	24,009	-	-
Public Safety	1,070,364	13,866	-	-
Public Works	3,603,492	-	134,013	-
Fire	295,151	52,828	-	-
Historic Preservation	254,633	6,350	279,721	5,365
Interest and Fiscal Charges	22,244	-	-	-
Total Governmental Activities	<u>6,875,484</u>	<u>215,555</u>	<u>645,999</u>	<u>5,365</u>
Business-Type Activities				
Water	<u>864,161</u>	<u>668,274</u>	<u>-</u>	<u>131,772</u>
Total Business-Type Activities	<u>864,161</u>	<u>668,274</u>	<u>-</u>	<u>131,772</u>
GENERAL REVENUES				
Taxes				
Grants and Contributions Not Restricted to Specific Programs				
Gaming Device Fees				
State Gaming Tax				
Other Revenues				
Earnings on Investments				
Proceeds from Sale of Assets				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND CHANGES
CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (894,985)	\$ -	\$ (894,985)
(359,839)	-	(359,839)
(1,056,498)	-	(1,056,498)
(3,469,479)	-	(3,469,479)
(242,323)	-	(242,323)
36,803	-	36,803
(22,244)	-	(22,244)
<u>(6,008,565)</u>	<u>-</u>	<u>(6,008,565)</u>
<u>-</u>	<u>(64,115)</u>	<u>(64,115)</u>
<u>-</u>	<u>(64,115)</u>	<u>(64,115)</u>
1,666,838	-	1,666,838
73,486	-	73,486
1,500,599	-	1,500,599
556,747	-	556,747
188,922	1,536	190,458
30,948	2,887	33,835
29,000	-	29,000
<u>4,046,540</u>	<u>4,423</u>	<u>4,050,963</u>
(1,962,025)	(59,692)	(2,021,717)
<u>29,233,936</u>	<u>9,626,191</u>	<u>38,860,127</u>
<u>\$ 27,271,911</u>	<u>\$ 9,566,499</u>	<u>\$ 36,838,410</u>

CITY OF CENTRAL, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	GENERAL FUND	HISTORIC PRESERVATION FUND	TRANSPORTATION FUND	PUBLIC SAFETY FUND
ASSETS				
Cash and Investments	\$ 2,497,929	\$ 2,082,805	\$ 393,503	\$ 138,763
Cash Held at County Treasurer	4,190	-	-	-
Taxes Receivable	263,766	-	-	-
Accounts Receivable	264,023	2,347	44,257	24,734
Prepaid Expenses	19,606	-	-	-
TOTAL ASSETS	\$ 3,049,514	\$ 2,085,152	\$ 437,760	\$ 163,497
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 77,370	\$ 6,000	\$ 43,485	\$ 199
Accrued Expenses	53,166	1,136	-	-
Unearned Revenues	254,386	-	-	-
Deposits	23,439	-	-	-
TOTAL LIABILITIES	408,361	7,136	43,485	199
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenues	263,766	-	-	-
FUND BALANCES				
Nonspendable	19,606	-	-	-
Restricted	142,000	2,078,016	-	163,298
Committed	-	-	394,275	-
Assigned	-	-	-	-
Unassigned	2,215,781	-	-	-
TOTAL FUND BALANCES	2,377,387	2,078,016	394,275	163,298
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	\$ 3,049,514	\$ 2,085,152	\$ 437,760	\$ 163,497

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

CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 338,217	\$ 154,147	\$ 5,605,364
-	-	4,190
-	-	263,766
11,834	-	347,195
-	-	19,606
<u>\$ 350,051</u>	<u>\$ 154,147</u>	<u>\$ 6,240,121</u>

\$ 42,391	\$ 13,900	\$ 183,345
-	-	54,302
-	-	254,386
-	-	23,439
<u>42,391</u>	<u>13,900</u>	<u>515,472</u>

<u>-</u>	<u>-</u>	<u>263,766</u>
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-	-	19,606
-	140,247	2,523,561
-	-	394,275
307,660	-	307,660
-	-	2,215,781
<u>307,660</u>	<u>140,247</u>	<u>5,460,883</u>

<u>\$ 350,051</u>	<u>\$ 154,147</u>	<u>\$ 6,240,121</u>
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CITY OF CENTRAL, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2020

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

Total fund balances of governmental funds	\$ 5,460,883
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Capital Assets, Not Depreciated	6,537,898	
Capital Assets, Depreciated	54,551,516	
Accumulated Depreciation	<u>(38,218,754)</u>	22,870,660

Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.

Loan Payable	(807,755)	
Accrued Interest Payable	(9,256)	
Compensated Absences	(121,748)	
Accrued Longevity Pay	(90,612)	
Net Pension Liability	(53,641)	
Net Pension Asset - FPPA	<u>3,594</u>	<u>(1,079,418)</u>

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

FPPA Defined Benefit Pension Plan

Deferred outflows of resources - Change in Proportionate Share	-	
Deferred outflows of resources - Subsequent Contributions	3,719	
Deferred outflows of resources - Expected vs Actual Experience	10,474	
Deferred outflows of resources - Change in Assumptions	5,867	
Deferred inflows of resources - Projected vs Actual Investments Earnings	(5,601)	
Deferred inflows of resources - Expected vs Actual Experience	<u>(55)</u>	<u>14,404</u>

Volunteer Fire Department Pension Plan

Deferred outflows of resources - Subsequent Contributions	11,025	
Deferred outflows of resources - Change in Assumptions	16,846	
Deferred inflows of resources - Expected vs Actual Experience	(4,375)	
Deferred inflows of resources - Projected vs Actual Investments Earnings	<u>(18,114)</u>	<u>5,382</u>

Net position of governmental activities	<u><u>\$ 27,271,911</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF CENTRAL, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	GENERAL FUND	HISTORIC PRESERVATION FUND	TRANSPORTATION FUND	PUBLIC SAFETY FUND
REVENUES				
Taxes	\$ 1,218,865	\$ -	\$ -	\$ 348,181
Gaming Device Fees	1,008,324	-	492,275	-
Intergovernmental Revenue	890,402	279,721	-	-
Charges for Services	71,202	6,350	-	-
Licenses and Permits	80,908	-	-	-
Fines and Forfeitures	4,266	-	-	-
Contributions and Donations	-	5,365	20,000	-
Earnings on Investments	15,243	9,752	2,792	1,057
Miscellaneous	241,585	70	96	-
TOTAL REVENUES	<u>3,530,795</u>	<u>301,258</u>	<u>515,163</u>	<u>349,238</u>
EXPENDITURES				
Current				
General Government	1,088,176	-	-	-
Community Development	383,848	-	-	-
Public Safety	645,641	-	-	341,103
Public Works	877,988	-	411,152	-
Fire	324,238	-	-	-
Historic Preservation	-	254,633	-	-
Capital Outlay	-	-	113,706	-
Debt Service				
Principal	-	-	149,925	-
Interest	-	-	23,942	-
TOTAL EXPENDITURES	<u>3,319,891</u>	<u>254,633</u>	<u>698,725</u>	<u>341,103</u>
NET CHANGE IN FUND BALANCES	210,904	46,625	(183,562)	8,135
FUND BALANCES, Beginning	<u>2,166,483</u>	<u>2,031,391</u>	<u>577,837</u>	<u>155,163</u>
FUND BALANCES, Ending	<u>\$ 2,377,387</u>	<u>\$ 2,078,016</u>	<u>\$ 394,275</u>	<u>\$ 163,298</u>

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

CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 99,792	\$ -	\$ 1,666,838
-	-	1,500,599
30,657	55,452	1,256,232
-	-	77,552
-	-	80,908
-	-	4,266
-	-	25,365
1,357	747	30,948
29,000	-	270,751
<u>160,806</u>	<u>56,199</u>	<u>4,913,459</u>
-	64,880	1,153,056
-	-	383,848
-	-	986,744
645	-	1,289,785
-	-	324,238
-	-	254,633
112,964	-	226,670
-	-	149,925
-	-	23,942
<u>113,609</u>	<u>64,880</u>	<u>4,792,841</u>
47,197	(8,681)	120,618
<u>260,463</u>	<u>148,928</u>	<u>5,340,265</u>
<u>\$ 307,660</u>	<u>\$ 140,247</u>	<u>\$ 5,460,883</u>

CITY OF CENTRAL, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

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

Net change in fund balances - total governmental funds			\$ 120,618
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.			
	Capital Outlay	226,670	
	Depreciation	(2,464,373)	<u>(2,237,703)</u>
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.			
	Loan Payments	149,925	
	Changes in Accrued Interest Payable	1,698	
	Changes in Accrued Longevity Pay	(9,104)	
	Changes in Compensated Absences	<u>(25,650)</u>	<u>116,869</u>
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.			
	Deferred charges related to Pension Plan		<u>38,191</u>
Change in net position of governmental activities			<u>\$ (1,962,025)</u>

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

CITY OF CENTRAL, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 December 31, 2020

	<u>WATER</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 627,040
Accounts Receivable	158,770
Prepaid Expenses	<u>1,394</u>
Total Current Assets	<u>787,204</u>
Noncurrent Assets	
Capital Assets, Not Being Depreciated	1,884,261
Capital Assets, Net of Accumulated Depreciation	<u>7,414,859</u>
Total Noncurrent Assets	<u>9,299,120</u>
TOTAL ASSETS	<u>10,086,324</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	25,699
Accrued Expenses	5,816
Accrued Compensated Absences, Current Portion	1,245
Note Payable, Current Portion	<u>16,995</u>
Total Current Liabilities	<u>49,755</u>
Noncurrent Liabilities	
Accrued Compensated Absences	11,196
Note Payable	<u>458,874</u>
Total Noncurrent Liabilities	<u>470,070</u>
TOTAL LIABILITIES	<u>519,825</u>
NET POSITION	
Net Investment in Capital Assets	8,823,251
Unrestricted	<u>743,248</u>
TOTAL NET POSITION	<u>\$ 9,566,499</u>

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

CITY OF CENTRAL, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2020

	WATER
OPERATING REVENUES	
Charges for Services	\$ 668,274
Other Revenues	1,536
TOTAL OPERATING REVENUES	669,810
OPERATING EXPENSES	
Personnel Services	169,824
Professional Services	156,199
Water Operations	169,609
Capital Outlay	71,484
Depreciation	297,045
TOTAL OPERATING EXPENSES	864,161
NET OPERATING INCOME (LOSS)	(194,351)
NON-OPERATING REVENUES (EXPENSES)	
Earnings on Investments	2,887
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,887
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(191,464)
Capital Contribution	131,772
CHANGE IN NET POSITION	(59,692)
NET POSITION, Beginning	9,626,191
NET POSITION, Ending	\$ 9,566,499

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

CITY OF CENTRAL, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2020
Increase (Decrease) in Cash and Cash Equivalents

	WATER
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 603,217
Cash Paid to Suppliers and Employees	(613,852)
Net Cash Used by Operating Activities	(10,635)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(62,397)
Principal Payments on Long Term Debt	(16,995)
Capital Contribution	131,772
Net Cash Provided by Capital Financing Activities	52,380
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	2,887
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	44,632
CASH AND CASH EQUIVALENTS, Beginning	582,408
CASH AND CASH EQUIVALENTS, Ending	\$ 627,040
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (194,351)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation Expense	297,045
Changes in Assets and Liabilities	
Accounts Receivable	(66,593)
Prepaid Expenses	(1,394)
Accounts Payable	(48,985)
Accrued Expenses	1,592
Accrued Salaries and Benefits	2,051
Total Adjustments	183,716
Net Cash Used by Operating Activities	\$ (10,635)

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

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Central, Colorado (the “City”) was incorporated in 1886 and became a home rule city in 1991. The City is governed by an elected Mayor and City Council.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the City and organizations for which the City is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. In addition, any 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 provides benefits to, or imposes financial burdens on the City.

Based upon the application of these criteria, the City includes the following Organizations in its reporting entity.

Central City Building Corporation

The Central City Building Corporation (the “Corporation”) is a nonprofit public benefit corporation organized under the Colorado Nonprofit Corporation Act. The Corporation was established to purchase, lease, or otherwise acquire real estate and to construct thereon any and all public improvements within the City’s boundaries. The activities of the Corporation are blended into the City’s General Fund. Separate financial statements for the Corporation are not available.

The Belvidere Foundation

The Belvidere Foundation (the “Foundation”) is a nonprofit Corporation established in 2019 under the provisions of the Colorado Nonprofit Corporation Act. The Foundation’s purpose is to restore, preserve, and improve the historic structure and property commonly known as the Belvidere Theater, located in Central City. The Foundation is also responsible for the administration and operation, marketing, and programming of the theater as well as fundraising and other fiscal transactions that support and further the theater’s purpose. The activities of the Foundation are blended into the City’s Historic Preservation Fund. Separate financial statements for the Foundation are not available.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 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 of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *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 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 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 and the proprietary fund. Major individual 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 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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items 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 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 for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's 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 funds:

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

The *Historic Preservation Fund* accounts for the City's state-share revenues, grants, and donations received for the preservation of the historic structures and history of the City.

The *Transportation Fund* was established to account for a portion of the gaming device fees committed by City Council ordinance for transportation services and improvements.

The *Public Safety Fund* accounts for 2 percent sales and use tax to be used for public safety expenditures.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The *Capital Improvement Fund* accounts for infrastructure and other capital improvements financed primarily with marijuana sales taxes and grants from other governments.

Additionally, the City reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water to residents and businesses within the City limits.

Assets, Liabilities, and Fund Balance/Net Position

Cash and Cash Equivalents – For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Prepaid Items – On the government-wide and governmental fund financial statements, prepaid expenses are presented using the consumption method.

Capital Assets – Capital assets, which include land, water rights, infrastructure, utility plant and lines, and property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 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 estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Improvements and Infrastructure	10-50 years
Machinery and Equipment	5-10 years

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Unearned Revenues – The deferred revenues include gaming device fees collected in advance. On December 31, 2020, the City reports \$254,386 in unearned revenues related to the advance of device fees from a local casino.

Compensated Absences – City employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Upon termination of employment, employees are entitled to receive compensation for any unused vacation time, up to a maximum of 312 hours, at their current rate of pay. These compensated absences are expended when paid in the governmental fund types. Compensated absences are expended when earned in the proprietary fund type. A long-term liability in the amount of \$121,748 and \$12,441 has been recorded in the governmental activities and business-type activities, respectively, in the statement of net position for the accrued benefits.

Volunteer Firefighter Length of Service Award – The City has established the Volunteer Firefighter Length of Service Award Plan. Every volunteer firefighter is eligible to participate in the plan and shall become a participant in the plan on the date they first perform service as a volunteer firefighter. Service awards in any plan year may be awarded at the sole and exclusive discretion of the City, and in an amount determined at the sole and exclusive discretion of the City. In order to be eligible to receive a service award, a participant must complete 36 training hours and respond to at least 15% of the calls during the year. The annual award amounts are allocated to all eligible participants based on years of service, ranging from \$600 to \$3,000. Plan participants are fully vested in the awarded amounts at all times. Participants will be paid all accrued award amounts and any interest earnings in a lump-sum distribution within fifteen days upon separation from service to the City. If separation is the result of death, the distribution will be paid to the participant's beneficiary.

These benefits are recognized as expenditures in the governmental funds when due. A long-term liability in the amount of \$90,612 is reported in the governmental activities in the government-wide statement of net position for the accrued benefits.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure) until then. In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Debt – In the government-wide financial statements, and proprietary fund types 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 funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported 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 actual debt proceeds received, are reported as current expenditures.

Pensions – The City maintains the Volunteer Fire Department Pension Plan, an agent multiple-employer defined benefit pension plan administer by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to and deductions from the plan’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Employer contributions are recognized in the year the contributions are paid.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

The City participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing, multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension asset, 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 the fiduciary net position of the SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Employer contributions are recognized in the year the contributions are paid.

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent, and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. 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.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position represents liquid assets that have third party limitations on their use.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balance classifications based on a hierarchy of constraints on the purposes for which amounts can be spent. Classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The City reports prepaid expenses as nonspendable on December 31, 2020.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) by external creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) by law through constitutional provisions or enabling legislation. The City has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the City reports restricted fund balances in the Historic Preservation Fund, Public Safety Fund, Conservation Trust Fund, Public Property Trust Fund, and Impact Fees Fund. These balances are restricted for historic preservation, capital improvements, and certain parks and recreation purposes.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City reports the fund balance in the Transportation Fund as committed resources for the respective fund purpose as of December 31, 2020.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The City reports the fund balance in the Capital Improvement Fund as assigned for the respective fund purpose as of December 31, 2020.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City participates in 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 and the Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent 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.

CIRSA is a legal separate entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Subsequent Events

The City has evaluated events subsequent to the year ended December 31, 2020 through July 14, 2021, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparison for the proprietary fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted. Annual appropriated budgets are adopted for all funds. All appropriations lapse at fiscal year-end.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the City Council.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the City Council.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 3: CASH AND INVESTMENTS

Cash and investments on December 31, 2020, consist of the following:

Deposits	\$2,457,428
Investments	<u>3,774,976</u>
Total	<u>\$6,232,404</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Governmental Activities	\$5,605,364
Cash and Investments - Business-Type Activities	<u>627,040</u>
	<u>\$6,232,404</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. On December 31, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The City has no policy regarding custodial credit risk for deposits.

On December 31, 2020, the City had deposits with financial institutions with a carrying amount of \$2,457,428. The bank balances with the financial institutions were \$2,568,226. Of these balances, \$268,707 was covered by federal depository insurance and \$2,299,519 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments

The City is required to comply with State statutes and the City's investment policy which specify investment instruments meeting defined rating, maturity, and concentration of credit risk criteria in which the City may invest.

Interest Rate Risk

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Concentration of Credit Risk

Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

Local Government Investment Pools

The City had invested \$3,774,976 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor’s. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 4: CAPITAL ASSETS

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 6,159,144	\$ -	\$ -	\$ 6,159,144
Construction in Progress	378,754	-	-	378,754
Total Capital Assets, Not Depreciated	<u>6,537,898</u>	<u>-</u>	<u>-</u>	<u>6,537,898</u>
Capital Asset, Being Depreciated				
Buildings	3,381,598	19,496	-	3,401,094
Improvements/Infrastructure	47,537,519	44,047	-	47,581,566
Machinery and Equipment	<u>3,832,390</u>	<u>163,127</u>	<u>426,661</u>	<u>3,568,856</u>
Total Capital Assets, Being Depreciated	<u>54,751,507</u>	<u>226,670</u>	<u>426,661</u>	<u>54,551,516</u>
Accumulated Depreciation				
Buildings	1,719,509	100,478	-	1,819,987
Improvements/Infrastructure	31,712,552	2,177,992	-	33,890,544
Machinery and Equipment	<u>2,748,981</u>	<u>185,903</u>	<u>426,661</u>	<u>2,508,223</u>
Total Depreciation	<u>36,181,042</u>	<u>2,464,373</u>	<u>426,661</u>	<u>38,218,754</u>
Capital Assets, Depreciated Net	<u>18,570,465</u>	<u>(2,237,703)</u>	<u>-</u>	<u>16,332,762</u>
Net Capital Assets	<u>\$ 25,108,363</u>	<u>\$ (2,237,703)</u>	<u>\$ -</u>	<u>\$ 22,870,660</u>

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

Governmental Activities	
General Government	\$ 67,046
Public Safety	83,620
Public Works	<u>2,313,707</u>
 Total	 <u>\$ 2,464,373</u>

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 4: CAPITAL ASSETS (Continued)

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Business-Type Activities				
Capital Assets, Not Depreciated				
Land	\$ 630,898	\$ -	\$ -	\$ 630,898
Water Rights	1,253,363	-	-	1,253,363
Total Capital Assets, Not Depreciated	<u>1,884,261</u>	<u>-</u>	<u>-</u>	<u>1,884,261</u>
Capital Asset, Being Depreciated				
Buildings	1,027,242	-	-	1,027,242
Improvements/Infrastructure	14,309,670	-	-	14,309,670
Machinery and Equipment	444,154	62,397	14,500	492,051
Total Capital Assets, Being Depreciated	<u>15,781,066</u>	<u>62,397</u>	<u>14,500</u>	<u>15,828,963</u>
Accumulated Depreciation				
Buildings	896,183	(7,109)	-	889,074
Improvements/Infrastructure	6,843,046	287,079	-	7,130,125
Machinery and Equipment	392,330	17,075	14,500	394,905
Total Depreciation	<u>8,131,559</u>	<u>297,045</u>	<u>14,500</u>	<u>8,414,104</u>
Capital Assets, Depreciated Net	<u>7,649,507</u>	<u>(234,648)</u>	<u>-</u>	<u>7,414,859</u>
Net Capital Assets	<u>\$ 9,533,768</u>	<u>\$ (234,648)</u>	<u>\$ -</u>	<u>\$ 9,299,120</u>

NOTE 5: LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended December 31, 2020:

Governmental Activities	12/31/2019			12/31/2020	
	Balance	Additions	Payments	Balance	Due Within One Year
Loan Payable	\$ 957,680	\$ -	\$ 149,925	\$ 807,755	\$ 153,673
Compensated Absences	96,098	25,650	-	121,748	12,175
Accrued Longevity Pay	81,508	9,104	-	90,612	-
Total	<u>\$ 1,135,286</u>	<u>\$ 34,754</u>	<u>\$ 149,925</u>	<u>\$ 1,020,115</u>	<u>\$ 165,848</u>

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 5: LONG-TERM DEBT (Continued)

Loan Payable

In July 2015, the City entered into a loan agreement in the amount of \$1,521,693 with the Colorado Department of Transportation State Infrastructure Bank. Loan proceeds were used to fund public transportation projects, including a stormwater drainage master plan, Central City Parkway repairs, retaining wall repairs, and rock fall mitigation. The loan carries an interest rate of 2.5% per annum. Principal and interest payments in the amount of \$173,867 are due annually in July, beginning in 2016 through 2025. The loan is payable solely from gaming device fees committed for transportation services in the City's Transportation Fund.

The following is a summary of the debt service requirements for the loan:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 153,673	\$ 20,194	\$ 173,867
2022	157,515	16,352	173,867
2023	161,453	12,414	173,867
2024	165,489	8,378	173,867
2025	169,625	4,242	173,867
Total	<u>\$ 807,755</u>	<u>\$ 61,580</u>	<u>\$ 869,335</u>

Compensated absences and accrued longevity pay are expected to be liquidated with revenues from the General Fund.

Business-Type Activities	12/31/2019	Additions	Payments	12/31/2020	Due Within
	Balance			Balance	One Year
DWRF Loan	\$ 492,864	\$ -	\$ 16,995	\$ 475,869	\$ 16,995
Compensated Absences	10,390	2,051	-	12,441	1,245
Total	<u>\$ 503,254</u>	<u>\$ 2,051</u>	<u>\$ 16,995</u>	<u>\$ 488,310</u>	<u>\$ 18,240</u>

DWRF Loan

In May 2018, the City entered into a loan agreement in the amount of \$610,000 with the Colorado Water Resources and Power Development Authority (CWRPDA). Proceeds of the loan were used to provide funding for improvements to three existing source water diversion structures in remote locations in Central City. The loan accrues no interest. The original agreement required the City to make semi-annual principal payments in the amount of \$10,310 beginning in May 2019 through 2048.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 5: **LONG-TERM DEBT** (Continued)

In March 2019, the original loan agreement was amended. \$107,242 of unused project funds were allocated toward the outstanding principal balance of the loan. The semi-annual principal and interest payments were reduced to \$8,498.

The loan principal is payable solely from pledged revenues of the City’s Water Fund. Under the terms of the loan agreement, the City is required to establish and collect rates, fees, and charges for the use of the system that are estimated to be sufficient to pay operation and maintenance expenses and a sum equal to 110% of the debt service due on the loan during the calendar year.

For the year ended December 31, 2020, the City is in compliance with the required covenants.

The annual debt service requirement on the outstanding loan is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 16,995	\$ -	\$ 16,995
2022	16,995	-	16,995
2023	16,995	-	16,995
2024	16,995	-	16,995
2025	16,995	-	16,995
2026-2030	84,975	-	84,975
2031-2035	84,975	-	84,975
2036-2040	84,975	-	84,975
2041-2045	84,975	-	84,975
2046-2048	50,994	-	50,994
Total	<u>\$ 475,869</u>	<u>\$ -</u>	<u>\$475,869</u>

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: VOLUNTEER FIRE DEPARTMENT PENSION PLAN

General Information about the Volunteer Firefighters' Pension Plan

Plan description. The City, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighters' Pension Plan, a defined benefit pension plan for volunteer firefighters as authorized by state statutes. The City Council serves as the plan's Board of Trustees. The Board of Trustees establishes and is authorized to amend the plan provisions and determines the contributions made by the City. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Volunteers covered and benefits provided. The retirement benefit provision and plan requirements were established by the City under Colorado Revised Statutes. Any volunteer firefighter who has both attained the age of fifty and completed twenty years of active service is eligible for a monthly pension benefit of \$500. Monthly survivor benefits as a result of death in the line of duty or after retirement of the beneficiary are \$250. A volunteer firefighter is vested in the plan after ten years of service and is eligible for an additional monthly pension benefit of \$25 between ten and twenty years of service.

On December 31, 2020, there are 9 retired volunteers receiving benefits, 8 active volunteers and 3 inactive, nonretired volunteers.

Contributions. The plan may receive contributions from the City in an amount not to exceed on-half mill of property tax revenue. As established by its Legislature, the State of Colorado may provide a matching contribution of ninety percent of the City's contribution. Contributions are not actuarially determined. The actuary issued to determine the adequacy of contributions. Based on the January 1, 2019, actuarial evaluation, the actuarially determined contributions expected to finance the costs of benefits earned during the year, with an additional amount to finance the unfunded liability, were \$15,691. During the year ended December 31, 2020, the City contributed \$11,025 to the plan. The State of Colorado contributed \$6,417.

CITY OF CENTRAL
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2020

NOTE 6: VOLUNTEER FIRE DEPARTMENT PENSION PLAN

Net Pension Liability

Actuarial assumptions. The City’s net pension liability was based on an actuarial valuation performed as of January 1, 2020, and a measurement date of December 31, 2019. The total pension liability for the December 31, 2019, measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar - open
Remaining amortization period	20 years*
Asset valuation method	5 – year smoothed fair value
Inflation	2.5%
Projected salary increases	N/A
Investment rate of return	7.5% per annum
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	<u>Pre-retirement:</u> RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off duty mortality. <u>Post retirement:</u> For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Health Annuitants. For ages 55 through 64, a blend of previous tables. All tables are projected with Scale BB.

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

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

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: VOLUNTEER FIRE DEPARTMENT PENSION PLAN

Net Pension Liability (Continued)

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Changes in the Net Pension Liability

Changes in the City's net pension liability for the year ended December 31, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, December 31, 2019	\$ 638,028	\$ 542,512	\$ 95,516
Service Cost	5,909	-	5,909
Interest	43,420	-	43,420
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumption	-	-	-
Contributions	-	22,108	(22,108)
Net Investment Income	-	75,744	(75,744)
Benefit Payments	(42,000)	(42,000)	-
Administrative Expenses	-	(6,648)	6,648
Total	<u>\$ 645,357</u>	<u>\$ 591,716</u>	<u>\$ 53,641</u>

Sensitivity of the City's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6%	Discount Rate 7%	1% Increase 8%
City's net pension liability (asset)	<u>\$ 134,545</u>	<u>\$ 53,641</u>	<u>\$ (12,523)</u>

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: VOLUNTEER FIRE DEPARTMENT PENSION PLAN

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the City recognized pension expense of \$5,226.

On December 31, 2020, 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
Difference between expected and actual experience	\$ -	\$ 4,375
Change in assumptions	16,846	-
Net difference between projected and actual earnings on investments	-	18,114
Contributions subsequent to measurement date	11,025	-
Total	\$ 27,871	\$ 22,489

The City’s contributions subsequent to the measurement date of \$11,025 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,

2021	\$	(1,864)
2022		(82)
2023		4,040
2024		(7,737)
Total	\$	(5,643)

Pensions. The City participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the SWDBP

Plan description. The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include fire department clerical and other personnel whose services are auxiliary to fire protection. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. FPPA provides retirement and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement.

The following types of retirement are available under the SWDBP:

- Normal: 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Early: 30 years of service or age 50 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05). The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the receipt of the benefit.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the SWDBP (Continued)

- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).

- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

The SWDBP has a deferred retirement option plan (DROP) that allows members to enter the program if they meet one of the following criteria: 1) member is eligible for normal retirement or 2) member is vested or 3) member is eligible for early retirement. The DROP plan allows a member to choose to continue employment for a maximum of five years. During this period of continued employment, the member's retirement benefits as well as employee contributions are paid into a member's DROP account. At the end of the DROP period, the member ceases employment and receives the amount accumulated in the DROP account either in a periodic, lump sum or a monthly lifetime benefit.

Each member must elect a payment option for retirement benefits shortly before benefit payments are paid to ensure that the beneficiary and payment option factors are accurate. The member has six payment options. The payment options allow the member to receive full retirement benefits during the member's lifetime or receive reduced retirement benefits so that a designated beneficiary may receive a portion of the retirement benefit either during the member's lifetime or after the member's death depending on the option selected.

Vested members with more than 5 years of service and non-vested members with less than 5 years of service may elect to withdraw their member contribution accounts upon termination of employment with all FPPA employers; waiving rights to any lifetime retirement benefits earned. The member's contributions plus 5% interest may be refunded to the member with all other contributions being forfeited. If a refund is chosen, stabilization reserve account monies and all employer contributions are forfeited.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the SWDBP (Continued)

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement benefit adjustments (formerly referred to as COLAs). Benefit adjustments are not guaranteed and are determined annually by the FPPA Board of Directors based on the most recent actuarial study. The amount of the benefit adjustment can be 0% to 3%, or the greater of the Consumer Price Index (CPI) per year. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Contributions. Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014 the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at a rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent. In 2020 members of the SWDP plan and their employers are contributing at a rate of 11 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 19 percent. Contributions to the SWDBP from the City were \$3,719 the year ended December 31, 2020.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contributions, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the SWDBP (Continued)

The contribution rate for members and employers or affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earning for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase by 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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

On December 31, 2020, the City reported a net pension asset of \$3,594 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The City's proportion of the net pension asset was based on City contributions to the SWDBP for the calendar year 2019 relative to the total contributions of participating employers to the SWDBP.

On December 31, 2019, the City's proportion was 0.00635 percent, which was the first year the City contributed to the plan. For the year ended December 31, 2020, the City recognized pension income of \$17,998. On December 31, 2020, 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
Difference between expected and actual experience	\$ 10,474	\$ 55
Change in assumptions	5,867	-
Net difference between projected and actual earnings on investments	-	5,601
Contributions subsequent to measurement date	3,719	-
Total	\$ 20,060	\$ 5,656

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

\$3,719 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2021.

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

<u>Year Ended December 31,</u>	
2021	\$ 2,582
2022	2,332
2023	1,912
2024	1,855
2025	1,411
Thereafter	<u>593</u>
Total	<u>\$ 10,685</u>

Actuarial assumptions. The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

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 of all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the PR-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The actuarial assumption changes were effective January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The SWDBP’s long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation (assumed at 2.5 percent).

The SWDBP’s long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long Term Rate of Return
Global Equity	38.00%	7.00%
Equity Long/Short	8.00%	6.00%
Private Markets	25.00%	9.20%
Fixed Income	15.00%	5.20%
Absolute Return	8.00%	5.50%
Managed Futures	4.00%	5.00%
Cash	2.00%	2.52%
Total	100.00%	

CITY OF CENTRAL
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2020

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

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

The expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.75 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release.); and the resulting Single Discount rate is 7.00 percent.

Sensitivity of the City’s proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease 6%	Discount Rate 7%	1% Increase 8%
City's net pension liability (asset)	\$ (21,792)	\$ 3,594	\$ 24,648

Pension plan fiduciary net position. Detailed information about the SWDBP’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.fppaco.org.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8: OTHER RETIREMENT COMMITMENTS

Statewide Death and Disability Plan

Plan Description – The City’s Fire Chief participates in the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). In years prior to 2017, full-time police officers participated in the plan until the City’s police activities were transferred to the County Sheriff. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA at www.fppaco.org.

Funding Policy - The contribution requirements are established by State statutes. The City Council determines the contribution split between employees and the City. No contributions are required for employees hired prior to January 1, 1997. The City’s Fire Chief was hired prior to this date. For employees hired on or after January 1, 1997, the employees contributed 2.8% of base salaries during the year ended December 31, 2016. Contributions to the plan for the years ended December 31, 2020, 2019 and 2018 were \$651, \$227, and \$0, respectively, equal to the required contributions for the year.

Fire and Police Department Pension Plan

The City contributes to the Statewide Money Purchase Plan, a multiple employer defined contribution plan, on behalf of the Fire Chief. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The contribution requirements of the plan are established by State statutes. Currently, plan participants contribute 8% of base salary, which is matched by the City. Participants vest immediately in their contributions. Vesting in the City’s contributions and related investments earning occurs at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2020, the City contributed \$7,502 to the plan, equal to the required contributions.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8: **OTHER RETIREMENT COMMITMENTS** (Continued)

Defined Contribution Money Purchase Pension Plan

The City has established a single employer defined contribution money purchase pension plan on behalf of all permanent employees not covered by the Fire and Police Department Pension Plan. The plan provisions and contribution requirements are established and may be amended by City Council. The City matches employee contributions up to 5% of compensation. Employees may make additional voluntary contributions not to exceed the limits established by federal regulations.

During the year ended December 31, 2020, the City contributed \$53,638 to the plan. The plan investments are managed by the International City /County Management Association (ICMA).

NOTE 9: **COMMITMENTS AND CONTINGENCIES**

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2020, significant amounts of grant expenditures have not been audited but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

Conduit Debt

On September 1, 1996, the City issued Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1996, in the amount of \$9,250,000. The bonds were used to finance the acquisition and construction of a multifamily housing facility for persons of low-income within the City known as the Gold Mountain Apartments. The bonds mature on April 1, 2029 and are payable solely from revenues generated by the facility.

On December 31, 2020, the outstanding balance of the bonds was \$6,560,000.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Tabor Amendment is complex and subject to judicial interpretations. The City believes it has complied with the Amendment.

In November 1993, voters permitted the City to collect, retain, and expend the full proceeds of the City’s sales and use tax, device tax, state gaming tax, and non-federal grants notwithstanding the limitations established by the amendment.

The City has established a reserve, representing 3% of qualifying expenditures, as required by the amendment. On December 31, 2020, the emergency reserve of \$142,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

Gaming License Fee Rebate Incentive Agreements

Rebate Agreement

During 2004, the City agreed to rebate 32% of a casino’s license fees to a maximum of \$6.6 million in exchange for use of the casino’s parking structure by the general public. During the year ended December 31, 2020, the parties to the agreement agreed to cancel the agreement and no payment was made by the City during the year.

Advance Payment

During 2015, the City received an advance payment of \$600,000 to purchase a parking lot from a casino owner. The City will repay the advance through license fee rebates equal to 20% of the annual license fees paid. During the year ended December 31, 2020, the City rebated \$55,330 under the terms of the agreement. On December 31, 2020, the remaining advance of \$254,386 was reported as unearned revenue in the General Fund.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Gilpin County Sheriff Intergovernmental Agreement

On September 9, 2016, the City entered into an Intergovernmental Agreement (IGA) with the Gilpin County Sheriff's Office for the provision of law enforcement and public safety services beginning on January 1, 2017. The original agreement terminated on December 31, 2017 and renews annually for a one-year period commencing on January 1 and ending on December 31 unless the City or the County provides written notice of its intent to terminate the agreement. During the year ended December 31, 2020, the City paid \$705,000 to the County Sheriff under the terms of the agreement.

Ambulance Authority Intergovernmental Agreement

On June 2, 2009, Gilpin County, the City of Black Hawk and the City of Central entered into a governmental agreement to establish the Gilpin County Ambulance Authority (the "Authority"). The purpose of the Authority is to affect the planning development and provision of ambulance resources, systems, and facilities to provide emergency medical and trauma services and all related services, facilities and programs for the people and property of Gilpin County. Each party to the agreement is responsible to fund a portion of the Authority's annual budget. For the year ended December 31, 2020, the City paid \$176,087 to the Authority under the terms of the agreement.

Shuttle Service Intergovernmental Agreement.

On December 9, 2015, the City entered into an Intergovernmental Agreement with the City of Black Hawk for the provision of municipal bus service commencing January 1, 2016. The cost of the municipal bus service is allocated to Black Hawk and the City with Black Hawk's share being in an amount not to exceed \$353,400, or 57% of the cost of the municipal bus service. The City's share of the cost is 43% of the cost of the municipal bus service. During the year ended December 31, 2020, the City paid \$56,875 under the terms of the agreement. During March 2020, the shuttle services were suspended due to the COVID-19 pandemic.

Litigation

The City is periodically involved in pending or threatened litigation. However, management believes the outcome of any litigation will not have a significant effect on the City's financial position.

CITY OF CENTRAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 10: **CONCENTRATION OF RISK**

For the year ended December 31, 2020, approximately 42% of the revenues of the City's governmental funds were generated from gaming license and device fees and state gaming taxes. A reduction of this revenue, if it were to occur, could have a significant effect on the City's programs and activities.

NOTE 11: **SUBSEQUENT EVENTS**

COVID19 Pandemic

The United States of America and State of Colorado have declared an emergency as a result of the coronavirus (COVID19) pandemic. These economic uncertainties may have a significant impact on the financial position, results of operations, and cashflows of the City. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

Sale of Property

In April 2021, the City entered into a lease purchase agreement with SPRT Entertainment LLC (the "Tenant") for the City owned property located at 130 Main Street. The purchase price of the property is \$1,940,000. The property will be leased to the Tenant until December 31, 2023, requiring an annual lease payment of \$60,000 in 2021, and \$180,000 for years 2022 and 2023. The Tenant has the option to purchase the property on or before December 31, 2021, and to close on or after September 16, 2022, but before the end of the lease term.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 260,000	\$ 266,308	\$ 267,531	\$ 1,223
Specific Ownership Taxes	18,795	23,278	22,983	(295)
Sales and Use Tax	630,268	756,382	715,415	(40,967)
Motor Vehicle Sales Tax	66,000	119,018	104,025	(14,993)
Lodging Tax	73,909	57,299	57,419	120
Franchise Tax	59,368	49,635	51,492	1,857
State Gaming Tax	945,187	556,747	556,747	-
Gaming Device Fees	1,697,134	1,008,453	1,008,324	(129)
Intergovernmental Revenue	97,231	335,279	333,655	(1,624)
Charges for Services	281,339	303,355	71,202	(232,153)
Licenses and Permits	47,931	62,871	80,908	18,037
Fines and Forfeitures	1,500	4,266	4,266	-
Earnings on Investments	34,154	18,401	15,243	(3,158)
Miscellaneous	30,000	142,335	241,585	99,250
TOTAL REVENUES	4,242,816	3,703,627	3,530,795	(172,832)
EXPENDITURES				
Current				
General Government	1,292,437	1,306,036	1,088,176	217,860
Community Development	623,038	419,927	383,848	36,079
Public Safety	710,000	359,896	645,641	(285,745)
Public Works	1,063,759	867,246	877,988	(10,742)
Fire	548,408	548,408	324,238	224,170
TOTAL EXPENDITURES	4,237,642	3,501,513	3,319,891	181,622
CHANGE IN FUND BALANCE	5,174	202,114	210,904	8,790
FUND BALANCES, Beginning	3,148,909	2,166,478	2,166,483	5
FUND BALANCES, Ending	\$ 3,154,083	\$ 2,368,592	\$ 2,377,387	\$ 8,795

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 HISTORIC PRESERVATION FUND
 Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 8,000	\$ 555	\$ 6,350	\$ 5,795
Intergovernmental Revenue	1,502,774	277,238	279,721	2,483
Contributions and Donations	100	305	5,365	5,060
Earnings on Investments	3,500	9,007	9,752	745
Miscellaneous	-	68	70	2
TOTAL REVENUES	<u>1,514,374</u>	<u>287,173</u>	<u>301,258</u>	<u>14,085</u>
EXPENDITURES				
Current				
Historic Preservation	314,972	289,671	254,633	35,038
Capital Outlay	<u>3,070,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,384,972</u>	<u>289,671</u>	<u>254,633</u>	<u>35,038</u>
CHANGE IN FUND BALANCE	(1,870,598)	(2,498)	46,625	49,123
FUND BALANCES, Beginning	<u>2,035,165</u>	<u>2,031,391</u>	<u>2,031,391</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 164,567</u>	<u>\$ 2,028,893</u>	<u>\$ 2,078,016</u>	<u>\$ 49,123</u>

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION FUND
 Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Gaming Device Fees	\$ 828,815	\$ 492,357	\$ 492,275	\$ (82)
Contributions	240,000	20,000	20,000	-
Earnings on Investments	5,400	2,660	2,792	132
Miscellaneous	-	96	96	-
TOTAL REVENUES	<u>1,074,215</u>	<u>515,113</u>	<u>515,163</u>	<u>50</u>
EXPENDITURES				
Current				
Public Works	394,000	374,018	411,152	(37,134)
Capital Outlay	984,500	354,753	113,706	241,047
Debt Service				
Principal	149,925	149,925	149,925	-
Interest	23,942	23,942	23,942	-
TOTAL EXPENDITURES	<u>1,552,367</u>	<u>902,638</u>	<u>698,725</u>	<u>203,913</u>
CHANGE IN FUND BALANCE	(478,152)	(387,525)	(183,562)	203,963
FUND BALANCES, Beginning	<u>508,820</u>	<u>577,837</u>	<u>577,837</u>	-
FUND BALANCES, Ending	<u>\$ 30,668</u>	<u>\$ 190,312</u>	<u>\$ 394,275</u>	<u>\$ 203,963</u>

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY FUND
 Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Sales and Use Taxes	\$ 286,000	\$ 356,283	\$ 348,181	\$ (8,102)
Intergovernmental Revenue	409,523	-	-	-
Earnings on Investments	500	1,196	1,057	(139)
Miscellaneous	-	1,800	-	(1,800)
TOTAL REVENUES	<u>696,023</u>	<u>359,279</u>	<u>349,238</u>	<u>(10,041)</u>
EXPENDITURES				
Current				
Public Safety	80,000	341,103	341,103	-
Capital Outlay	<u>510,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>590,000</u>	<u>341,103</u>	<u>341,103</u>	<u>-</u>
CHANGE IN FUND BALANCE	106,023	18,176	8,135	(10,041)
FUND BALANCES, Beginning	<u>40,481</u>	<u>155,163</u>	<u>155,163</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 146,504</u>	<u>\$ 173,339</u>	<u>\$ 163,298</u>	<u>\$ (10,041)</u>

See the accompanying independent auditors' report

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CITY OF CENTRAL, COLORADO

SCHEDULE OF CHANGES IN NET POSITION, LIABILITY, AND RELATED RATIOS AND CONTRIBUTIONS
VOLUNTEER FIRE DEPARTMENT PENSION PLAN

Years Ended December 31,

	2019	2018	2017	2016
Total Pension Liability				
Service Cost	\$ 5,909	\$ 9,916	\$ 9,916	\$ 8,359
Interest	43,420	43,333	42,318	42,429
Differences Between Expected and Actual Experience	-	3,226	-	(22,416)
Changes in Assumptions	-	28,353	-	7,819
Benefit Payments	(42,000)	(38,700)	(38,700)	(38,200)
Net Change in Total Pension Liability	7,329	46,128	13,534	(2,009)
Total Pension Liability, Beginning	638,028	591,900	578,366	580,375
Total Pension Liability, Ending	<u>\$ 645,357</u>	<u>\$ 638,028</u>	<u>\$ 591,900</u>	<u>\$ 578,366</u>
Plan Fiduciary Net Position				
Contributions - Employer	15,691	22,044	29,546	-
Contributions - State of Colorado	6,417	-	-	-
Net Investment Income	75,744	164	72,742	26,616
Benefit Payments	(42,000)	(38,700)	(38,700)	(38,200)
Administrative Expenses	(6,648)	(4,948)	(5,525)	(1,073)
Net Change in Fiduciary Net Position	49,204	(21,440)	58,063	(12,657)
Plan Fiduciary Net Position, Beginning	542,512	563,952	505,889	518,546
Plan Fiduciary Net Position, Ending	<u>\$ 591,716</u>	<u>\$ 542,512</u>	<u>\$ 563,952</u>	<u>\$ 505,889</u>
City's Net Pension Liability	<u>\$ 53,641</u>	<u>\$ 95,516</u>	<u>\$ 27,948</u>	<u>\$ 72,477</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.69%	85.03%	95.28%	87.47%
City Contributions				
Actuarially Determined Contributions	15,691	15,691	11,022	11,022
Contributions in Relation to the Actuarially Determined Contributions	22,108	22,044	29,546	-
Contributions Deficiency (Excess)	<u>\$ (6,417)</u>	<u>\$ (6,353)</u>	<u>\$ (18,524)</u>	<u>\$ 11,022</u>
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

NOTE: Information for the prior four years was not available for this report

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

2015	2014
\$ 8,359	\$ 11,469
41,339	42,634
-	(46,649)
-	(33,192)
<u>(32,233)</u>	<u>(27,333)</u>
17,465	(53,071)
<u>562,910</u>	<u>615,981</u>
<u>\$ 580,375</u>	<u>\$ 562,910</u>

-	11,656
6,417	6,417
9,668	34,187
(32,233)	(27,333)
<u>(2,101)</u>	<u>(1,171)</u>
(18,249)	23,756
<u>536,795</u>	<u>513,039</u>
<u>\$ 518,546</u>	<u>\$ 536,795</u>

<u>\$ 61,829</u>	<u>\$ 26,115</u>
------------------	------------------

89.35%	95.36%
--------	--------

18,524	18,524
6,417	18,073
<u>\$ 12,107</u>	<u>\$ 451</u>

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

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

CITY OF CENTRAL, COLORADO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

Years Ended December 31,

	<u>2019</u>
Proportion of the Net Pension Liability (Asset)	0.00635%
Proportionate Share of the Net Pension Liability (Asset)	\$ (3,594)
Covered payroll	\$ 16,214
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-22.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.90%

NOTE: Information for the prior nine years is not available for this report

CITY OF CENTRAL, COLORADO

SCHEDULE OF THE CITY'S CONTRIBUTIONS
 FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

Years Ended December 31,

	<u>2020</u>	<u>2019</u>
Contractually Required Contributions	\$ 4,369	\$ 3,747
Contributions in Relation to the Contractually Required Contributions	<u>4,369</u>	<u>3,747</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 46,491	\$ 16,214
Contributions as a Percentage of Covered Payroll	9.40%	23.11%

NOTE: Information for the prior eight years was not available for this report.

See the accompanying independent auditors' report

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF CENTRAL, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	CONSERVATION TRUST FUND	PUBLIC PROPERTY TRUST FUND	IMPACT FEES FUND	TOTALS
ASSETS				
Cash and Investments	\$ 98,329	\$ 43,299	\$ 12,519	\$ 154,147
TOTAL ASSETS	\$ 98,329	\$ 43,299	\$ 12,519	\$ 154,147
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 13,900	\$ -	\$ -	\$ 13,900
TOTAL LIABILITIES	13,900	-	-	13,900
FUND EQUITY				
Fund Balance				
Restricted	84,429	43,299	12,519	140,247
TOTAL FUND EQUITY	84,429	43,299	12,519	140,247
TOTAL LIABILITIES AND FUND BALANCES	\$ 98,329	\$ 43,299	\$ 12,519	\$ 154,147

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	CONSERVATION TRUST FUND	PUBLIC PROPERTY TRUST FUND	IMPACT FEES FUND	TOTALS
REVENUES				
Intergovernmental Revenue	\$ 55,452	\$ -	\$ -	\$ 55,452
Earnings on Investments	452	233	62	747
TOTAL REVENUES	<u>\$ 55,904</u>	<u>\$ 233</u>	<u>\$ 62</u>	<u>\$ 56,199</u>
EXPENDITURES				
Current				
General Government	\$ 64,880	\$ -	\$ -	\$ 64,880
TOTAL EXPENDITURES	<u>64,880</u>	<u>-</u>	<u>-</u>	<u>64,880</u>
NET CHANGE IN FUND BALANCES	<u>(8,976)</u>	<u>233</u>	<u>62</u>	<u>(8,681)</u>
FUND BALANCES, Beginning	<u>93,405</u>	<u>43,066</u>	<u>12,457</u>	<u>148,928</u>
FUND BALANCES, Ending	<u><u>\$ 84,429</u></u>	<u><u>\$ 43,299</u></u>	<u><u>\$ 12,519</u></u>	<u><u>\$ 140,247</u></u>

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental Revenue	\$ 55,066	\$ 55,066	\$ 55,452	\$ 386
Earnings on Investments	1,050	450	452	2
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>56,116</u>	<u>55,516</u>	<u>55,904</u>	<u>388</u>
EXPENDITURES				
General Government	<u>68,600</u>	<u>68,600</u>	<u>64,880</u>	<u>3,720</u>
TOTAL EXPENDITURES	<u>68,600</u>	<u>68,600</u>	<u>64,880</u>	<u>3,720</u>
CHANGE IN FUND BALANCE	(12,484)	(13,084)	(8,976)	4,108
FUND BALANCES, Beginning	<u>92,233</u>	<u>93,405</u>	<u>93,405</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 79,749</u>	<u>\$ 80,321</u>	<u>\$ 84,429</u>	<u>\$ 4,108</u>

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PUBLIC PROPERTY TRUST FUND
 Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	220	233	13
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>220</u>	<u>233</u>	<u>13</u>
EXPENDITURES				
Capital Outlay	<u>19,207</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>19,207</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	(19,207)	220	233	13
FUND BALANCES, Beginning	<u>42,737</u>	<u>43,066</u>	<u>43,066</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 23,530</u>	<u>\$ 43,286</u>	<u>\$ 43,299</u>	<u>\$ 13</u>

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

IMPACT FEES FUND

Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Earnings on Investments	\$ -	\$ 60	\$ 62	\$ 2
TOTAL REVENUES	<u>-</u>	<u>60</u>	<u>62</u>	<u>2</u>
EXPENDITURES				
Parks and Recreation	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	-	60	62	2
FUND BALANCES, Beginning	<u>12,326</u>	<u>12,457</u>	<u>12,457</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 12,326</u>	<u>\$ 12,517</u>	<u>\$ 12,519</u>	<u>\$ 2</u>

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT FUND
 Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Sales Tax	\$ -	\$ 86,216	\$ 99,792	\$ 13,576
Intergovernmental Revenue	267,000	35,912	30,657	(5,255)
Earnings on Investments	5,000	2,200	1,357	(843)
Miscellaneous	-	29,000	29,000	-
	<u>272,000</u>	<u>153,328</u>	<u>160,806</u>	<u>7,478</u>
TOTAL REVENUES				
EXPENDITURES				
Public Works	-	-	645	(645)
Capital Outlay	365,000	144,389	112,964	31,425
	<u>365,000</u>	<u>144,389</u>	<u>113,609</u>	<u>30,780</u>
TOTAL EXPENDITURES				
CHANGE IN FUND BALANCE	(93,000)	8,939	47,197	38,258
FUND BALANCES, Beginning	<u>191,889</u>	<u>260,465</u>	<u>260,463</u>	<u>(2)</u>
FUND BALANCES, Ending	<u>\$ 98,889</u>	<u>\$ 269,404</u>	<u>\$ 307,660</u>	<u>\$ 38,256</u>

See the accompanying independent auditors' report

CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER FUND

Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Charges for Services	\$ 716,613	\$ 613,561	\$ 668,274	\$ 54,713
Capital Contribution	127,214	127,214	131,772	4,558
Earnings on Investments	-	3,039	2,887	(152)
Other Revenues	-	36	1,536	1,500
TOTAL REVENUES	843,827	743,850	804,469	60,619
EXPENDITURES				
Current				
Personnel Services	239,600	180,769	169,824	10,945
Professional Services	193,000	199,000	156,199	42,801
Water Operations	256,600	199,665	169,609	30,056
Debt Service	16,996	16,996	16,995	1
Capital Outlay	192,000	146,949	133,881	13,068
TOTAL EXPENDITURES	898,196	743,379	646,508	96,871
CHANGE IN NET POSITION, Budgetary Basis	\$ (54,369)	\$ 471	157,961	\$ 157,490
Adjustments to GAAP Basis				
Note Principal Payment			16,995	
Capital Outlay			62,397	
Depreciation			(297,045)	
CHANGE IN NET POSITION, GAAP Basis			(59,692)	
NET POSITION, Beginning			9,626,191	
NET POSITION, Ending			\$ 9,566,499	

See the accompanying independent auditors' report

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Central City
		YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _) City of Central, Colorado	Prepared By: Phone:	Lorraine Trotter, Professional Mgmt Solutions 303-910-9197

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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	582,015
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	121,710
2. General fund appropriations	1,089,702	b. Snow and ice removal	246,201
3. Other local imposts (from page 2)	22,984	c. Other	
4. Miscellaneous local receipts (from page 2)	530,901	d. Total (a. through c.)	367,911
5. Transfers from toll facilities		4. General administration & miscellaneous	85,652
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	481,232
a. Bonds - Original Issues		6. Total (1 through 5)	1,516,809
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)	1,643,587	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	47,089	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	23,942
E. Total receipts (A.7 + B + C + D)	1,690,676	b. Redemption	149,925
		c. Total (a. + b.)	173,867
		3. Total (1.c + 2.c)	173,867
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,690,676

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)	957,680	0	149,925	807,755

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,690,676	1,690,676	(0)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2020

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	2,792
b. Other local imposts:		b. Traffic Fines & Penalties	4,266
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	22,984	g. Other Mis Device Fees & BID & Misc	512,371
6. Total (1. through 5.)	22,984	h. Other County Road & Bridge	11,472
c. Total (a. + b.)	22,984	i. Total (a. through h.)	530,901
	(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	47,089	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	0
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) FEMA State Match	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	47,089	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: