

THE CITY OF
DURANGO,
COLORADO
2020



Comprehensive Annual Financial Report
for the year ending December 31, 2020

CITY OF DURANGO, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2020

**Prepared by the Finance Department
Cynthia Sneed, CPA, Finance Director**

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INTRODUCTORY SECTION

October 26, 2021

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

The Charter of the City of Durango (City) and State law require local governments to publish the results of its annual audit and a comprehensive report of financial statements. The report is to conform to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Durango, Colorado for the fiscal year ended December 31, 2020.

We present the report in four sections:

- The **Introductory Section** provides this transmittal letter, a list of City officials, and an organizational chart.
- The **Financial Section** includes the report from our external auditors, Eide Bailly, Management's Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities and the accompanying notes to the financial statements. The MD&A includes a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this transmittal letter. The Financial Section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, and the combining individual funds financial statements for the nonmajor governmental and proprietary funds and the internal service funds. Required supplementary information other than the MD&A is also included in the financial section, which is comprised of the General Fund budget to actual schedule and information about the City's defined benefit plans,
- The **Statistical Section** presents selected financial and demographic information, and
- The **Compliance Section** presents the Local Highway Finance Report.

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

from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Durango's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2020, are free of material misstatement presented in accordance with United States' GAAP. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified opinion for the City's fiscal year 2020 financial statements. As a result, we can provide reasonable assurance the financial information contained in this report is complete, reliable, and accurate. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the City of Durango

The City of Durango, incorporated in 1881, is located in southwest Colorado in the area known as the Four Corners, where the states of Colorado, Arizona, Utah and New Mexico converge. As the county seat for La Plata County, Durango is a regional hub for commerce. It is also home to Fort Lewis College, a four-year state college with approximately 3,400 students. The City has a population of 19,078 residents and encompasses 17.01 square miles. Durango is surrounded by two million acres of the San Juan National Forest. Public lands occupy over 41% of La Plata County's (County) total acreage.

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

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

Management includes component units in the reporting entity in conformance with generally accepted accounting principles. The financial statements include all funds that make up the legal entity of the “primary government”, namely the City, as well as organizations for which the City is financially accountable. The City’s reporting entity includes the Durango Conference Center Business Improvement District. The District is shown separately in the financial statements from the primary government. On May 5, 2020, the City Council established an Urban Renewal Authority, the Durango Renewal Partnership (the Partnership). Currently, the Partnership has no sources of revenues and the City is paying its formation costs. The City also participates in a joint venture with La Plata County. The Durango La Plata County Airport is jointly owned by the City of Durango and La Plata County and operates under an intergovernmental agreement signed by both parties. Separate financial statements are issued for the airport and it is reported as an investment in joint venture in these financial statements.

The annual budget serves as the foundation for the City’s financial planning and control. All departments of the City are required to submit requests to the city manager in August of each year. The city manager then uses those requests to develop the proposed budget, which is usually presented to the City Council in September. The Council is required to hold a public hearing prior to final adoption of the budget. Pursuant to the City Charter, the City Council shall adopt the final budget in a timely manner prior to the start of the ensuing budget year. An annual appropriation ordinance must also be adopted. The appropriations ordinance is prepared and adopted by fund and in the case of capital projects and grants, by project and grant. The city manager may make transfers of appropriations within a department. Transfers of appropriations between departments and/or funds and additional appropriations require the additional approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page F5 as part of the Required Supplementary Information. For all other budgeted funds, these comparisons are presented in the Supplementary Information subsection, which starts on page G1 and continues through N15.

Factors Affecting Financial Condition

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

Local economy: The City was impacted during the fiscal year ending December 31, 2020 by the coronavirus global pandemic (COVID-19) pandemic. Concerns were raised about revenue reductions specifically those related to sales tax by enacting furloughs, deferring capital projects, and a reduction in the amount of supplies and materials and purchased services. Due to these measures the General Fund’s fund balance actually increased \$4.4 million dollars in 2020. For 2021 we estimate that General Fund fund balance will decrease \$54,000. Local tourism suffered significantly during 2020 due to the COVID-19. Lodgers’ tax, which is one of the economic indicators for tourism strength, decreased 31.8%. This is the lowest collection year since 2011 and the first time in five years collections have been less than \$1 million. Total passenger traffic at the Durango La Plata County Airport also saw a significant decrease of

approximately 49.1% in 2020 over the prior year. The number of enplanements, slightly less than 100,000 passengers, is the first-time enplanements have been under 100,000 passengers since 2004. Again due to fiscal management and oversight, the Airport's net position increased more the \$5 million in 2020, without requiring a subsidy from a member government.

The City is the major shopping destination in a County of more than 55,000 people. The City is a mix of large national retailers, such as Wal-Mart, Office Depot, Home Depot, Ross, and Tractor Supply and locally owned businesses. Fort Lewis College continues to be an important player, adding to the area's economic stability, health and cultural enhancement.

Downtown Durango continues to be a regional draw and gathering place for community events including Snowdown, Taste of Durango, Four Corners Bike Rally, Fiesta Days, Animas River Days, Noel Night, 4th of July events and fireworks, among others. These events also result in additional business for the downtown retailers and restaurants. Recent honors for the City include:

2021 Outstanding Innovation Award for adding Mercy/Three Springs Route Colorado Association of Transit Agencies

The 13 Small Towns That Are Even More Enchanting in the Winter, Reader's Digest

Best Summer Food Festivals in Colorado, The Denver Post

Best Colorado Dog Parks, The Denver Post

Colorado's Top 10 Must-Hike 14ers, Gear Junkie

Best Train Trips to Take Across America, Travel & Leisure

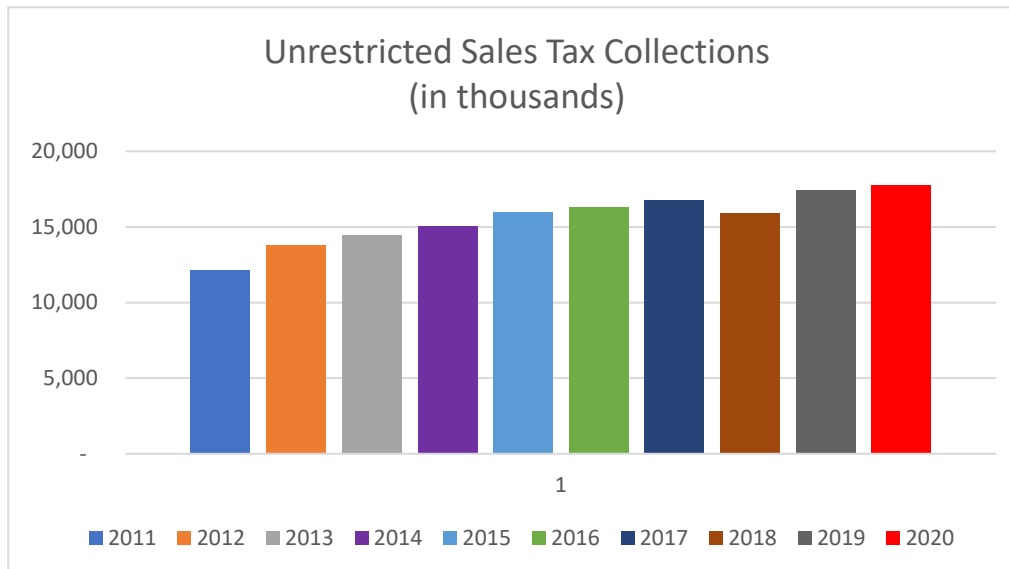
Best Places to Own a Vacation Home in Colorado, Colorado BIZ

Best Adventures to Celebrate Public Lands, Men's Journal Magazine

Best Places to Rent a Convertible, SF Gate

City building activity decreased as the number of permits decreased to the lowest level since 2016. The dollar value of permits was the lowest since 2011. to be strong in 2020 compared to years prior to 2017.

City sales tax collections for 2020 showed an increase of 8.7% over 2019 collections. The City collects sales taxes from five sources. While all sources increased, the largest increase was in the Streets Improvement Fund. This fund which began collections in July, 2019 had sales tax revenues which almost doubled. The City estimates that the effect of the pandemic on sales tax revenues will end in fiscal year 2021 and anticipates fiscal year 2022 sales tax revenues in the general fund will be \$2.3 million higher than those collected in 2020. General Fund sales tax collections, which is all unrestricted as to use, for the last 10 years is shown below.



Based on the 2020 census, the Colorado State Department of Demography reduced the estimated population slightly, approximately 2/10 of 1%. This is consistent with school enrollment in Durango 9-R schools which decreased 2.2% this fall. Historically, the City of Durango has shown strong population growth. For the last ten years this growth has been more than 11%. The area's climate, variety of terrain and outdoor recreational opportunities, proximity to the Purgatory ski area, the presence of Fort Lewis College, and the "small town" appeal of Durango have all contributed to the historic sustained growth.

Due to the Pandemic, unemployment in LaPlata County peaked during April, 2020. Like the nation as a whole, the County sustained three months of double-digit unemployment. The unemployment rate decreased and was 7.5% at December 31, 2020. This is slightly higher than the State and the national levels at that time.

Real estate values, as measured by the median list price increased 10% . Housing prices remain a problem for low to moderate income families. In addition to the strategic plan, discussed below, City Council has commissioned plans to resolve the housing and homelessness. As part of the strategic plan, the City implemented a Housing Innovation division. The 2022 budget also includes \$500,000 for the Housing Innovation Incentive Program.

Per capita personal income remains above the national average but is lower than the amounts reported for the State of Colorado. Average weekly wages are less than those reported for both the State and nation.

The Office of Planning and Budgeting indicates the Colorado economic recovery from the pandemic recession continues at a rapid pace. Headwinds remain due to labor market inefficiencies and the Delta variant of COVID-19 which has reduced consumer confidence and constrained global supply chains. This raises concerns about higher inflation and the possible Federal Reserve response. In addition, this area is dependent on a specific sector of the economy, tourism and travel.

Long-term financial planning: During March 2021, the City adopted its first strategic plan. The objectives of the plan are *diversity, equity, inclusion; environmental and social sustainability; financial excellence and transparency; affordability economic opportunity; enhanced livability and sense of place; and effective infrastructure network*. For the financial excellence and transparency objective the initiatives are.

- by the end of 2021, the City will adopt a fund balance reserve policy,
- a ten-year financial forecast for all funds,
- a 10-year capital improvement financial plan, and
- implement programs to enhance cyber security.

The 2022 budget related to service impacts are reported by these objectives. In addition, as part of financial transparency the City launched an online financial portal on October 1, 2021.

Due to the completion of projects, such as Lake Nighthorse and certain street improvements the General Fund's capital expenditures are projected to decrease from \$11.2 million to approximately \$1 million in 2021. With a large multi year street project, CR 250 & 251 which totals \$6.6 million, General Fund capital expenditures are budgeted to increase to \$1.2 million in 2022. As shown in the table below, capital expenditures are budgeted to increase significantly in 2022 in the proprietary funds.

Fund	2020 Actual (1)	2021 Estimated (1)	2022 Budget (1)
Water	\$ 183	\$ 3,250	\$ 12,633
Sewer	49	1,711	1,990
Sustainable Services (2)	73	-	-
Transportation Services (2)	-	-	-
Capital Equipment Replacement Fund	994	886	3,317
Technology Replacement Fund (3)	N/A	N/A	130

(1) Reported in thousands

(2) Capital for these funds is purchased through the Capital Equipment Replacement Fund

(3) Fund commenced operations in 2022

On April 6, 2021, the City received voter approval to increase the Lodgers Tax from 2% to 5.25% beginning in the collection year 2021. These additional revenues are to be used annually for expenditures related to the impact of tourism on the City. In addition, the City received voter approval at the April 2005 municipal election to increase City sales and use taxes by an additional one-half percent. The proceeds of the new tax are restricted with 50% of the revenue allocated to parks, open space, and trails and 50% to capital improvements. In April 2019 municipal election the City received voter approval to increase City sales and use taxes by an additional one-half percent. The proceeds of the new tax are restricted to street infrastructure and operations. The tax began on July 1, 2019 and will sunset on June 30, 2029.

Debt Management: The ratio of net general bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. The City does not have any general obligation debt outstanding.

At December 31, 2020, the City had \$14,615,000 of sales and use tax revenue bonds, series 2016, series 2009, and series 2017, outstanding. All required debt covenants are currently being met. Certificates of participation were issued in the amount of \$2,700,000 in 2014 for the construction of Wilson Gulch Road in Three Springs development. This road will provide the impetus for future commercial development in the area. There was \$2,070,000 outstanding at December 31, 2020. In addition, an additional \$4,000,000 was borrowed to secure water rights and water storage for many years to come. There was \$2,720,166 outstanding at December 31, 2020 and this loan is being repaid by the Water Fund. In 2016, the City borrowed \$62,200,000 to construct a new water reclamation facility. The Sewer Fund is repaying this loan. At December 31, 2020 \$51,330,336 was outstanding. In addition, at December 31, 2020, the City has \$2,329,083 in unexpended loan proceeds related to the sewer debt.

The City has two defined benefit plans which were open to police officers and firefighters hired prior to April 8, 1978. These are known as the Old Hire Plans. Effective for this year's financial reporting, the discount rate was reduced from 7.5% to 4.5%. As a result, the pension liability for the two plans increased approximately \$960,000 to slightly more than \$3.7 million. The City's annual required contribution will increase \$34,000 per year to \$313,265.

Major Initiatives: The City continues to work toward financial sustainability. In 2022 as well as in the 2021 budget major initiatives are set forth to take the city into the future. Infrastructure maintenance and building up fund balance in all funds continues to be a top priority. Recognizing the value of our employees continues to be an important aspect of our budget as well as customer service and citizen engagement. As we strive to achieve these goals and initiatives we continue to meet all financial goals and objectives.

Acknowledgments

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

Respectfully submitted,



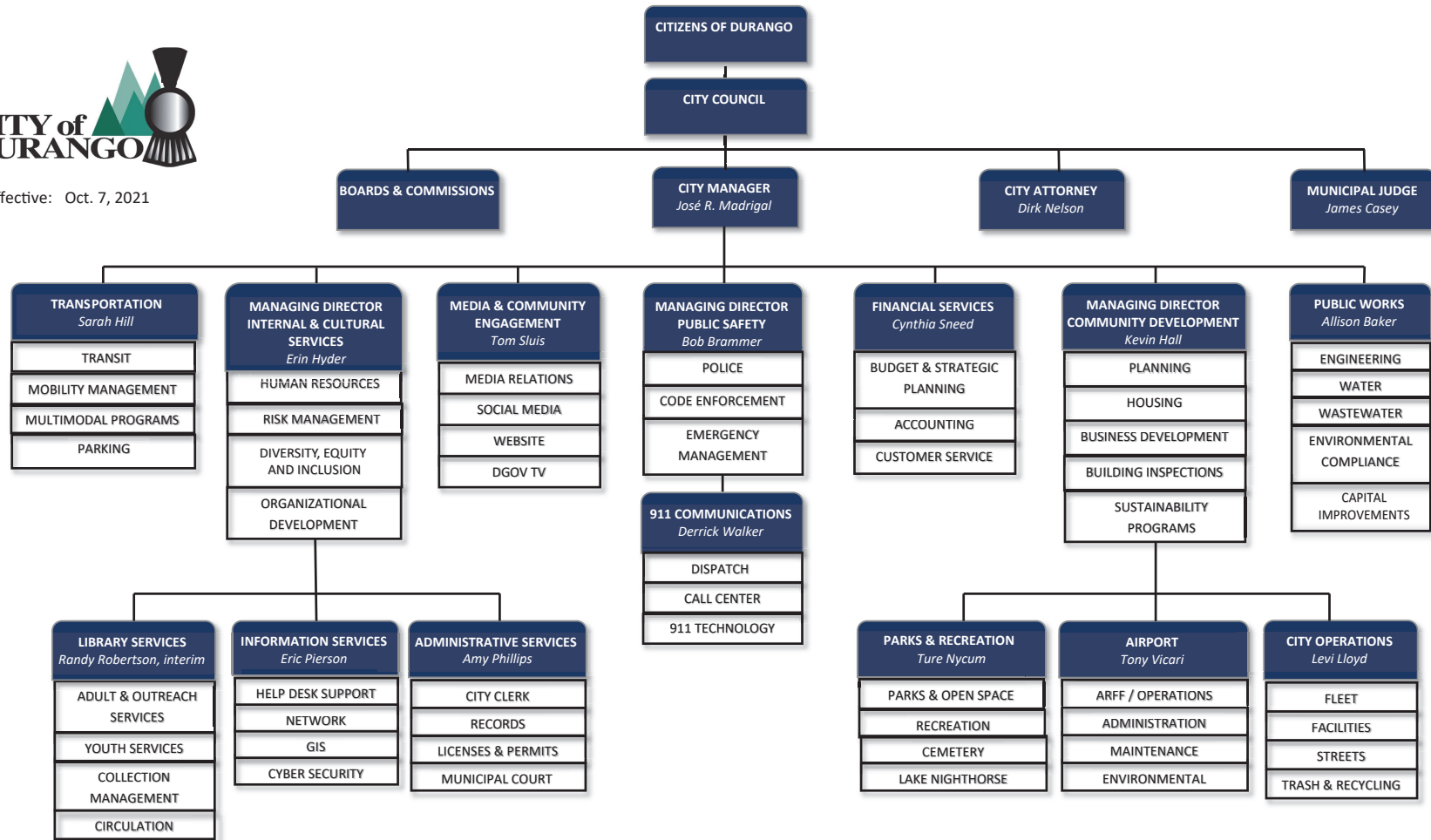
José Madrigal
City Manager



Cynthia K. Sneed, CPA
Finance Director



Effective: Oct. 7, 2021



City of Durango, Colorado
List of Elected and Appointed Officials
As of October 12, 2021

Elected Officials: City Council

Kim Baxter
Barbara Noseworthy
Melissa Youssef
Jessika Buell
Olivier Bosmans

Mayor
Mayor Pro Tem
Councilor
Councilor
Councilor

Council Appointed Officials

José Madrigal
Dirk Nelson
James Casey

City Manager
City Attorney
Municipal Judge

Department Directors

Public Works Director
Managing Director Public Safety/Police Chief
Managing Director of Community Development
Transportation Director
Managing Director Internal & Cultural Services
City Operations Director
Parks & Recreation Director
Administrative Services Director/City Clerk
IS Director
Interim Library Director
Media and Community Engagement Director
Finance Director
Aviation Director
911 Communications Director

Allison Baker
Bob Brammer
Kevin Hall
Sarah Hill
Erin Hyder
Levi Lloyd
Ture Nycum
Amy Phillips
Eric Pierson
Randy Robertson
Tom Sluis
Cynthia Sneed
Tony Vicari
Derrick Walker



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Durango (the City), as of and for the year ended December 31, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Durango, Colorado, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 26, schedule of changes in net pension liability, schedule of pension contributions, and the budgetary comparison information on pages 76 through 79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Report on Summarized Comparative Information

We have previously audited the City's 2019 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated March 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021 on our consideration of the City of Durango's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Durango's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Durango's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Denver, Colorado
October 26, 2021

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Durango, Colorado (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$351,470,292 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$273,777,628 include property, plant, and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$5,215,592 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$72,477,072 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$25,008,714 this year. This compares to the prior year ending fund balance of \$22,834,654 showing an increase of \$2,174,060 during the current year which includes an increase in reserve for inventory of \$4,339.
- At the end of the current fiscal year, unassigned and assigned fund balance for the General Fund was \$12,822,966, or 15% of total General Fund expenditures and other financing uses.
- Despite COVID-19, which the City took aggressive steps to mitigate overall, the City continues to maintain a strong financial position.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements are presented on pages D1 through D2 of this report.

Fund Financial Statements

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

The City has three kinds of funds:

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

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

The basic governmental fund financial statements are presented on pages D3 through D6 of this report. Individual fund information for nonmajor governmental funds is found in combining statements in the supplementary section of this report.

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

The basic enterprise fund financial statements are presented on pages D7 through D9 of this report. Individual fund information for nonmajor enterprise funds are found in the combining statements in the supplementary section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page E1 of this report.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) on the City's schedule of employer net pension liability and related ratios, changes in net pension liability, the employer contributions and investment returns for the Old Hire Police and Fire Plans. Included in RSI is a budgetary comparison schedule for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. Required supplementary information is on pages F1 to F6 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds can be found in the supplementary section of this report beginning on page G1 and ending on N15.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources at fiscal year-end exceeded liabilities and deferred inflows of resources by \$351,470,292. The following table provides a summary of the City's net position:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 65,465,511	\$ 60,836,744	\$ 28,157,733	\$ 33,749,249	\$ 93,623,244	\$ 94,585,993
Capital assets	198,554,902	192,627,239	144,815,735	137,561,875	343,370,637	330,189,114
Total assets	264,020,413	253,463,983	172,973,468	171,311,124	436,993,881	424,775,107
Deferred Outflows of Resources						
Loss on refunding	292,310	328,849	-	-	292,310	328,849
Related to pensions	406,597	399,735	-	-	406,597	399,735
Total Deferred Outflow of Resources	698,907	728,584	-	-	698,907	728,584
Liabilities:						
Other liabilities	3,289,429	3,902,666	2,222,673	2,560,893	5,512,102	6,463,559
Long-term liabilities	22,177,121	20,534,575	55,431,914	58,144,147	77,609,035	78,678,722
Total liabilities	25,466,550	24,437,241	57,654,587	60,705,040	83,121,137	85,142,281
Deferred inflows of resources						
Property Taxes	2,939,590	2,917,639	-	-	2,939,590	2,917,639
Related to pensions	161,769	-	-	-	161,769	-
Total deferred inflows of resources	3,101,359	2,917,639	-	-	3,101,359	2,917,639
Net position:						
Net investments						
in capital assets	181,849,022	173,568,700	91,928,606	83,552,646	273,777,628	257,121,346
Restricted	5,215,592	4,214,407	-	-	5,215,592	4,214,407
Unrestricted	49,086,797	44,846,760	23,390,275	27,053,438	72,477,072	71,900,198
Total net position	\$ 236,151,411	\$ 222,629,867	\$ 115,318,881	\$ 110,606,084	\$ 351,470,292	\$ 333,235,951

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
December 31, 2020

City of Durango, Colorado

By far the largest portion of the City's net position 78% reflects its investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The City of Durango uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Durango's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

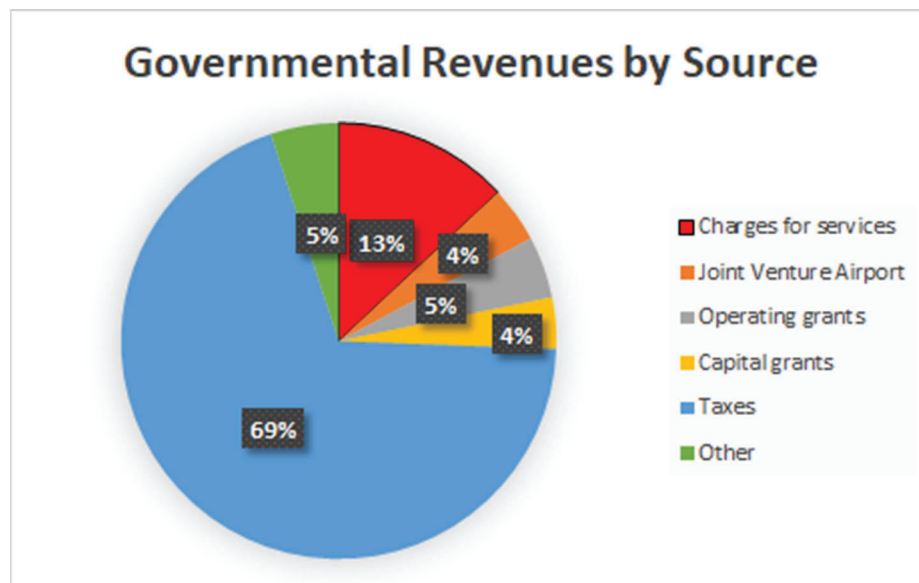
At the end of the current fiscal year, the City of Durango is able to report positive balances in the government as a whole, as well as for both its governmental activities and business-type activities. Governmental activities showed positive growth. Net position increased by \$13,521,544 for governmental activities. The City's overall financial position improved during fiscal year 2020.

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

	Summary of Changes In Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program:						
Charges for services	\$ 8,340,922	\$ 9,577,622	\$ 20,686,259	\$ 19,834,518	\$ 29,027,181	\$ 29,412,140
Joint Venture Airport	2,649,144	2,779,828	-	-	2,649,144	2,779,828
Operating grants	2,918,484	1,162,030	10,616	1,266,078	2,929,100	2,428,108
Capital grants	2,430,642	1,934,943	2,542,137	1,967,353	4,972,779	3,902,296
General:						
Taxes	44,281,862	42,208,361	-	-	44,281,862	42,208,361
Other	3,225,950	2,725,991	680,826	795,871	3,906,776	3,521,862
Total revenues	<u>63,847,004</u>	<u>60,388,775</u>	<u>23,919,838</u>	<u>23,863,820</u>	<u>87,766,842</u>	<u>84,252,595</u>
Program Expenses:						
General government	9,981,486	10,838,196	-	-	9,981,486	10,838,196
Public safety	16,496,684	14,679,218	-	-	16,496,684	14,679,218
Public works	7,578,880	9,264,854	-	-	7,578,880	9,264,854
Parks and recreation	8,383,958	10,284,254	-	-	8,383,958	10,284,254
Library	2,617,126	2,785,741	-	-	2,617,126	2,785,741
Community services	2,162,734	1,302,020	-	-	2,162,734	1,302,020
Economic development	794,934	862,114	-	-	794,934	862,114
Non-departmental	1,775,445	-	-	-	1,775,445	-
Interest	446,713	570,216	-	-	446,713	570,216
Water	-	-	5,492,253	5,335,098	5,492,253	5,335,098
Sewer	-	-	7,584,020	5,402,629	7,584,020	5,402,629
Sustainable services	-	-	2,709,293	2,856,608	2,709,293	2,856,608
Parking and transit	-	-	3,508,975	3,606,291	3,508,975	3,606,291
Total expenses	<u>50,237,960</u>	<u>50,586,613</u>	<u>19,294,541</u>	<u>17,200,626</u>	<u>69,532,501</u>	<u>67,787,239</u>
Excess (deficiency)	13,609,044	9,802,162	4,625,297	6,663,194	18,234,341	16,465,356
Transfers	<u>(87,500)</u>	<u>(350,000)</u>	<u>87,500</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Change in net position	13,521,544	9,452,162	4,712,797	7,013,194	18,234,341	16,465,356
Beginning net position	<u>222,629,867</u>	<u>213,177,705</u>	<u>110,606,084</u>	<u>103,592,890</u>	<u>333,235,951</u>	<u>316,770,595</u>
Ending net position	<u>\$ 236,151,411</u>	<u>\$ 222,629,867</u>	<u>\$ 115,318,881</u>	<u>\$ 110,606,084</u>	<u>\$ 351,470,292</u>	<u>\$ 333,235,951</u>

GOVERNMENTAL REVENUES

The City is heavily reliant on sales and use taxes to support governmental operations. City sales and use taxes account for 53.9% of the revenues for governmental activities. This is an increase of 10.2% over fiscal year 2019 and may be the result of COVID-19 pandemic where certain types of retailers saw an increase in sales. Sales and use taxes increased almost \$5.5 million dollars. The City increased the sales and use tax rate from 3.0% to 3.5% effective April 2, 2019. The increased revenue from the additional tax is restricted by voter authorization. Because of the City's healthy financial position, we have been able to earn \$223,309 in interest earnings to support governmental activities in spite of relatively low interest rates. Program revenues covered 32.5% of governmental operating expenses in 2020. This means that the government's taxpayers and the City's other general revenues funded the balance of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams. Program revenues for fiscal 2020 covered the same percentage of governmental operating expenses in 2019. The graph below shows governmental revenues by source:



GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety comprises 23.7% of the City's total expenses and 32.8% of the total governmental expenses. Parks and recreation makes up 12% of the total expenses and 16.7% of the total governmental expenses. General government and public works are 14.4% and 10.9% of total governmental expenses. While most expense categories were similar to last year, parks and recreation and public works changed significantly.

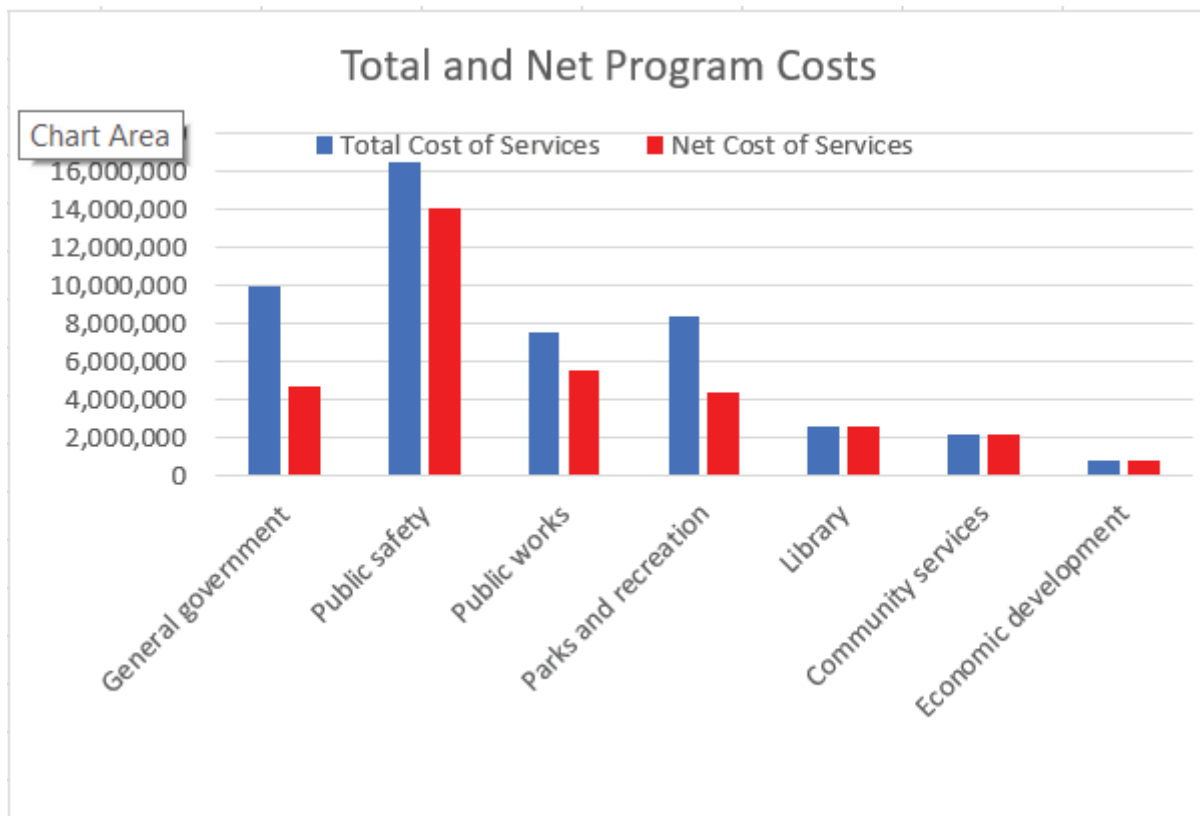
The overall decrease in governmental expenses was .7% over the prior fiscal year. This occurred even though pension expense increased more than \$1 million, as the City took aggressive steps to control costs, as the effect of the pandemic on revenues was not known.

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

Governmental Activities

	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	\$ 9,981,486	20 %	\$ 4,703,585	14 %
Public safety	16,496,684	33 %	14,061,481	42 %
Public works	7,578,880	15 %	5,563,348	17 %
Parks and recreation	8,383,958	16 %	4,433,069	13 %
Library	2,617,126	5 %	2,614,241	8 %
Community services	2,162,734	4 %	2,162,734	6 %
Economic development	794,934	2 %	787,296	2 %
Non-departmental	1,775,445	4 %	1,775,445	5 %
Joint venture airport	-	- %	(2,649,144)	(8) %
Interest on long-term debt	446,713	1 %	446,713	1 %
Total	\$ 50,237,960	100 %	\$ 33,898,768	100 %

The parks and recreation function has the best cost recovery as shown in the graph below. Recreation center fees and recreation program revenues are set to recover approximately 90% of the expenses for the center and recreation programs. The City received more in the form of operating grants and less in the form of contributions and capital grants and developer contributions in 2020. While these program revenues can vary in any given years, the corresponding acquisition of assets does not appear as a program expense. For that reason, program revenues can fluctuate dramatically from year to year depending on the amount of capital grants and contributions received.

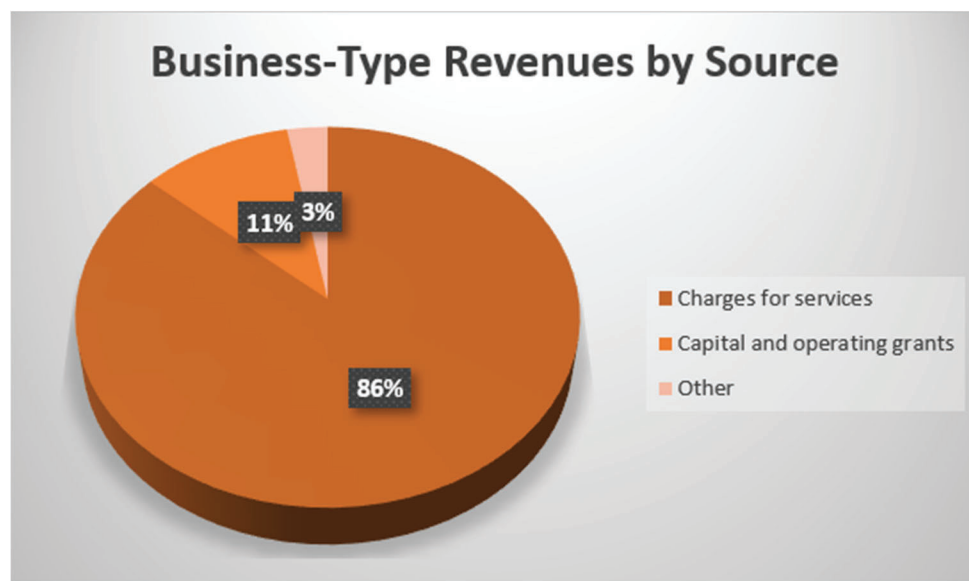


BUSINESS -TYPE ACTIVITIES

For the year ended December 31, 2020, only the water and sewer utility funds were reported as major funds. Business-type activities increased the City's net position by \$4,712,797. Key elements of business-type activities net position are as follows:

The operating revenues for all of the enterprise funds were 1.3% greater than 2019 and operating expenses were 14.8% more than 2019. The large increase in operating expenses was due to the increase in depreciation expense of almost \$2.1 million. Within the total business type activities of the City, these activities reported an operating income of \$1,706,576 compared to an operating income of \$3,856,882 for the prior year. Non-operating revenue increased by \$232,539 over 2019. Capital contributions for 2020 were \$1,590,797. This is a decrease of \$376,556 from 2019. Capital contributions include developer contributions of capital assets, capital grants, and plant investment fees.

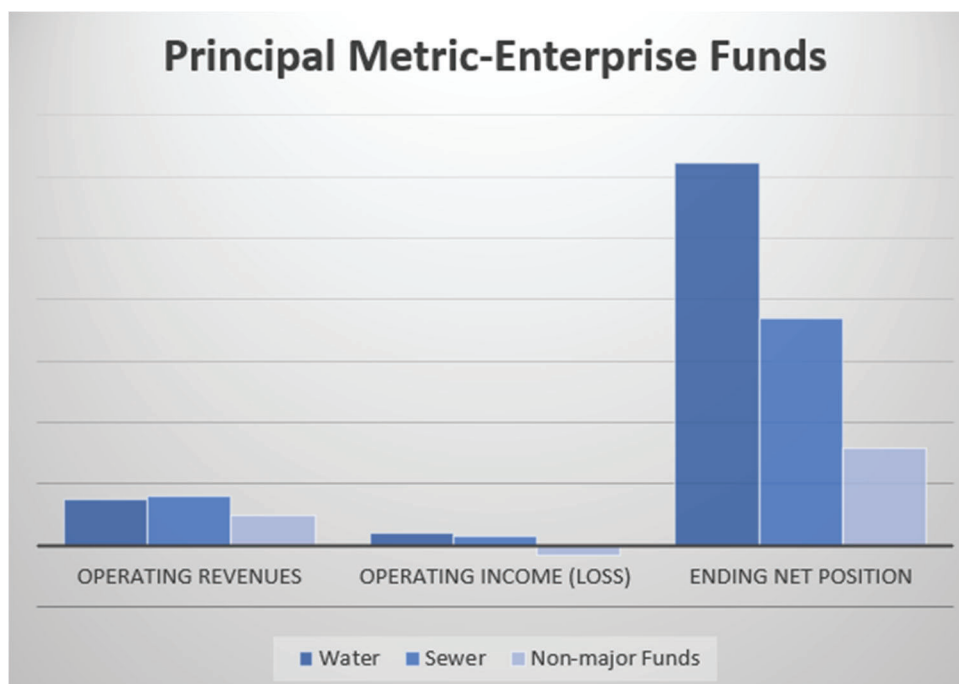
As the graph below displays, the business-type activities rely on fees to pay operating costs. This is in stark contrast to the governmental activities.



The water utility accounts for approximately 36.3% of operating revenues and 29.1% of operating expenses. This utility reported a net increase in net position of \$3,180,008. The water utility had an operating income of \$1,962,006 and capital contributions of approximately \$1,189,694.

For the sewer utility fund, operating expenses increased 48.1% over the prior year. As noted above the increase was due to increased depreciation expense. Operating revenues saw an increase of 2.6% over the prior year. Net operating income for 2020 was \$1,401,295 in comparison to \$3,362,581 in 2019. However cash from operations, as reported on the Statement of Cash Flows went from a use of more than \$1.3 million to a source of cash of more than \$3.2 million in 2020.

The next graph shows the relative size of the funds that make up the Enterprise Funds:



Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$25,008,714. Of this year-end total, approximately \$13,026,792 is restricted, committed or assigned fund balance, approximately \$3,286,719 of that amount in the general fund with the remainder of \$9,974,073 in the capital projects funds and other governmental funds.

The total ending fund balances of governmental funds show an increase of \$2,169,721 over the prior year. This increase is primarily the result of the events and programs in the General Fund.

Major Governmental Funds

The General Fund:

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$4,399,872. In fiscal year 2019, the fund balance increased by \$3,066,728.

Total revenues for 2020 were \$40,677,312, a decrease of \$1,118,140 or 2.9% over 2019. The City's sale and use taxes both increased but were approximately the same as the prior year. The remaining revenue sources were comparable with the prior year.

Expenditures for 2020 were \$39,091,070, a decrease of less than 1% over fiscal 2019. As noted above the City cut costs as a result of COVID-19 pandemic.

General government expenditures decreased approximately 2.6% overall when compared to the previous year.

Total public safety actual expenditures saw an increase in expenditure over the previous year of 4.3%. This function includes police services, the communication center and the city's contract for fire and rescue services. Police services increased expenditures by 4.5% over the prior year. Fire services increased by 5.9% over the previous year.

Public works expenditures decreased .7% as compared to 2019. Parks and Recreation expenditures decreased at a rate of 18.9% over last year.

Non-departmental expenditures decreased slightly in 2020 as compared to 2019. Buildings and plant account for over 41% of the expenditures in this division. Maintenance costs and utility charges for all general city buildings continue to affect expenditures.

The general fund was budgeted to transfer more than \$1,000,000 to other funds. However, no transfers were made. This amount fluctuates based on available resources in any given year and staff's ability to administer additional projects. Capital projects, once the City Council authorizes them, carry forward until completion.

The Capital Projects Fund

The capital projects fund expenditures increased \$4.7 million. As a result fund balance dropped almost \$6 million. This would be expected as funds are accumulated and then expended for capital projects.

The Proprietary Funds

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

Budgetary Highlights

The General Fund – Budget amendments increased the original revenue budget by 4.3% during 2020. Revenue budget amendments were made for grants received and appropriated during 2020. The majority of revenue categories had unfavorable budget variances over final budget estimates. The largest of these was charges for services which had a negative budget variance of 33%. Positive budget variances were noted in the sales and use tax audit, Laplata County shared sales tax and miscellaneous revenues. All categories combined for a 7.5% unfavorable variance under the final 2020 budget.

Investment earnings decreased from original estimates because of lower than anticipated interest rates and the decrease in revenues resulting in less funds to invest.

Budget amendments increased the original expenditure budget by 4.3% during 2020. Total amendments to the expenditures budget were \$1,891,675.

The final general fund budget for expenditures had a favorable variance of \$7.4 million. The City spent approximately 16.1% less than what was budgeted. As discussed above this was due to cost cutting measures related to the COVID-19 pandemic.

Capital Assets and Debt Administration

Capital Assets

The City's net investments in capital assets, for governmental and business-type activities as of December 31, 2020, was \$181,849,022 and \$91,928,606 respectively. The net capital assets for the internal service funds are reported with the governmental activities on the statement of net position. The total increase in the net investment was 4.8% for governmental activities and a 10% increase for business-type activities. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	\$ 29,987,277	\$ 29,987,277	\$ 5,476,387	\$ 5,493,887	\$ 35,463,664	\$ 35,481,164
Water rights	-	-	5,870,232	5,852,732	5,870,232	5,852,732
Construction in progress	1,554,052	6,080,148	1,392,830	3,814,039	2,946,882	9,894,187
Total non-depreciable	31,541,329	36,067,425	12,739,449	15,160,658	44,280,778	51,228,083
Depreciable assets:						
Buildings	48,851,094	49,187,774	97,283,510	87,449,623	146,134,604	136,637,397
Improvements	13,836,935	1,101,610	-	-	13,836,935	1,101,610
Equipment	26,516,614	24,629,313	10,101,214	9,860,520	36,617,828	34,489,833
Infrastructure	245,229,281	238,904,460	74,748,537	70,832,191	319,977,818	309,736,651
Total depreciable assets	334,433,924	313,823,157	182,133,261	168,142,334	516,567,185	481,965,491
Less accumulated depreciation	167,420,351	158,043,343	50,056,975	45,741,117	217,477,326	203,784,460
Book value - depreciable assets	167,013,573	155,779,814	132,076,286	122,401,217	299,089,859	278,181,031
Percentage depreciated	50%	50%	27%	27%	42%	42%
Total book value	\$ 198,554,902	\$ 191,847,239	\$ 144,815,735	\$ 137,561,875	\$ 343,370,637	\$ 329,409,114

At December 31, 2020, the depreciable capital assets for governmental activities were 50% depreciated. This is comparable to the December 31, 2019 percentage. This comparison indicates that the City is replacing its assets at a comparable rate as they are depreciating which is a positive indicator.

With the City's business type activities, 27% of the depreciable capital assets were depreciated at December 31, 2020 comparable to the same percentage at December 31, 2019.

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

Long-term Debt

At the end of the fiscal year, the City had total certificates of participation and notes outstanding of \$16,685,000. This debt is for the Florida Road, and a new public library. Debt of \$2.06 million was retired during the year. In 2013, the City obtained a long term loan from Colorado Water Resources and Power Development Authority in the amount of \$4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. The city retired principal in the amount of \$190,433 in 2020. The City received two loans from the Colorado Water Resources and Power Development in 2016 in the amount of \$62,200,000 to fund the construction of the Wastewater Treatment Facility. Of this debt \$2,477,606 was retired in 2020. The City issued Certificates of Participation in the amount of \$2,700,000 in 2014 to fund construction costs of Wilson Gulch Road, a main road in the Three Springs area that will provide economic activity. Of this debt \$115,000 was retired in 2020. The following table provides a summary of long-term debt activity.

Outstanding Borrowings							
	Governmental Activities		Business-type Activities		Totals		% Change
	2020	2019	2020	2019	2020	2019	
2014 Certificates of Participation	\$ 2,070,000	\$ 2,185,000	\$ -	\$ -	\$ 2,070,000	\$ 2,185,000	-5%
2016 Sales and Use Refunding Note	5,545,000	6,585,000	-	-	5,545,000	6,585,000	-16%
2017 Sales and Use Refunding Note	9,070,000	10,090,000	-	-	9,070,000	10,090,000	-10%
CWRPDA Loan-Water	-	-	2,720,166	2,910,599	2,720,166	2,910,599	-7%
	-	-	-	-	-	-	-
CWRPDA Loan-Sewer	-	-	49,267,836	51,620,442	49,267,836	51,620,442	-10%
CWRPDA Loan-Sewer 0% Interest	-	-	2,062,500	2,187,500	2,062,500	2,187,500	-5%
Bond Premium Ammortization	-	-	1,059,738	1,118,612	1,059,738	1,118,612	-10%
Compensated absences	1,788,293	1,674,575	321,674	306,994	2,109,967	1,981,569	7%
Total	<u>\$ 18,473,293</u>	<u>\$ 20,534,575</u>	<u>\$ 55,431,914</u>	<u>\$ 58,144,147</u>	<u>\$ 73,905,207</u>	<u>\$ 78,678,722</u>	

See Note 3-H for additional information about the City's long-term debt.

Economic Conditions and Next Year's Budget

For 2021 the General Fund revenues are projected to exceed both the budgeted 2021 and the actual 2020 revenues. Expenditures are also budgeted and projected to increase over 2020 levels. As a result, General Fund fund balance is projected to increase almost \$3.9 million, an increase of more than 25%. The Water Fund is projected to have lower revenues and higher expenditures. However, it is anticipated on a budget basis, the Fund equity will increase almost \$470,000. For the Sewer Fund revenues are expected to decrease from 2020 amounts but expenditures are expected to increase. As a result, equity is expected to drop about \$740,000. As projects finish the amounts expended for capital outlay are budgeted to decrease significantly.

Sales taxes which constitute 43% of General Fund revenues are expected to recover in 2022. Sales tax revenue is budgeted to increase \$2.4 million from 2020 to 2022, an increase of more than 14%.

One issue facing low to moderate residents of the City is the high cost of housing. Real estate values, as measured by the median list price increased 10%. The City's strategic plan includes a new Housing Innovation department. The 2022 budget also includes \$500,000 for the Housing Innovation Incentive Program.

Economically, the City/County has higher per capita income than the Nation but trails the State of Colorado. For unemployment, the City/County has higher rates than the Nation and the State. Finally, after years of population growth, both the City population and school enrollment decreased since 2019.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

City of Durango, Colorado
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and investments (Note 3-A)	\$ 26,704,226	\$ 22,238,102	\$ 48,942,328	\$ 217,778
Receivables:				
Accounts	4,223,177	3,104,534	7,327,711	-
Sales taxes	3,456,036	-	3,456,036	-
Property taxes	2,939,590	-	2,939,590	269,374
Franchise taxes	75,305	-	75,305	-
Lodgers taxes	46,906	-	46,906	-
Special assessments	5,550	-	5,550	-
Interest	275,653	-	275,653	-
Notes	-	133,989	133,989	-
Internal	(206,012)	206,012	-	-
Inventory	364,763	146,013	510,776	-
Prepaid items	597,061	-	597,061	500
Restricted assets (Note 3-A)	-	2,329,083	2,329,083	-
Investment in joint venture (Note 4-C)	26,983,256	-	26,983,256	-
Capital Assets (Note 3-D)				
Nondepreciable capital assets	31,541,329	12,739,449	44,280,778	-
Depreciable capital assets, net	167,013,573	132,076,286	299,089,859	2,767
Total Assets	264,020,413	172,973,468	436,993,881	490,419
Deferred Outflows of Resources				
Loss on refunding	292,310	-	292,310	-
Deferred outflows-pensions	406,597	-	406,597	-
Total Deferred Outflows of Resources	698,907	-	698,907	-
Liabilities				
Accounts payable	1,685,330	1,622,690	3,308,020	2,720
Accrued expenses	918,068	235,655	1,153,723	-
Accrued interest payable	57,528	364,328	421,856	-
Deposits payable	571,433	-	571,433	-
Unearned revenue	57,070	-	57,070	-
Long-Term Liabilities: (Note 3-H)				
Net pension liability	3,703,828	-	3,703,828	-
Due within one year	3,109,147	2,936,329	6,045,476	-
Due in more than one year	15,364,146	52,495,585	67,859,731	-
Total Liabilities	25,466,550	57,654,587	83,121,137	2,720
Deferred Inflows of Resources				
Property taxes	2,939,590	-	2,939,590	269,374
Deferred inflows-pension	161,769	-	161,769	-
Total Deferred Inflows of Resources	3,101,359	-	3,101,359	269,374
Net Position				
Net investment in capital assets (Note 3-J)	181,849,022	91,928,606	273,777,628	-
Restricted	5,215,592	-	5,215,592	-
Unrestricted	49,086,797	23,390,275	72,477,072	218,325
Total Net Position	<u>\$ 236,151,411</u>	<u>\$ 115,318,881</u>	<u>\$ 351,470,292</u>	<u>\$ 218,325</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Activities
For the Year Ended December 31, 2020

Function/Program	Program Revenues				Net Expense (Revenue) and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
Primary Government:								
Governmental Activities:								
General government	\$ 9,981,486	\$ 5,054,779	\$ 211,280	\$ 11,842	\$ (4,703,585)	\$ -	\$ (4,703,585)	\$ -
Public safety	16,496,684	1,179,904	1,255,299	-	(14,061,481)	-	(14,061,481)	-
Public works	7,578,880	1,000	-	2,014,532	(5,563,348)	-	(5,563,348)	-
Parks and recreation	8,383,958	2,094,716	1,451,905	404,268	(4,433,069)	-	(4,433,069)	-
Library	2,617,126	2,885	-	-	(2,614,241)	-	(2,614,241)	-
Community services	2,162,734	-	-	-	(2,162,734)	-	(2,162,734)	-
Economic development	794,934	7,638	-	-	(787,296)	-	(787,296)	-
Non-departmental	1,775,445	-	-	-	(1,775,445)	-	(1,775,445)	-
Interest	446,713	-	-	-	(446,713)	-	(446,713)	-
Joint venture airport	-	2,649,144	-	-	2,649,144	-	2,649,144	-
Total Governmental Activities	50,237,960	10,990,066	2,918,484	2,430,642	(33,898,768)	-	(33,898,768)	-
Business-type Activities:								
Water utility	5,492,253	8,067,785	-	489,584	-	3,065,116	3,065,116	-
Sewer utility	7,584,020	8,174,344	-	468,251	-	1,058,575	1,058,575	-
Parking	152,132	-	-	-	-	(152,132)	(152,132)	-
Sustainable services	2,709,293	3,061,918	10,616	-	-	363,241	363,241	-
Transportation Services	3,356,843	1,382,212	-	1,584,302	-	(390,329)	(390,329)	-
Total Business-type Activities	19,294,541	20,686,259	10,616	2,542,137	-	3,944,471	3,944,471	-
Total - Primary Government	\$ 69,532,501	\$ 31,676,325	\$ 2,929,100	\$ 4,972,779	(33,898,768)	3,944,471	(29,954,297)	-
Component Unit								
Durango Conference Center Business Improvement District	\$ 521,028	\$ -	\$ -	\$ 201,424	-	-	-	(319,604)
General Revenues								
Property taxes levied for:								
General government purposes					2,903,553	-	2,903,553	291,527
Specific ownership tax					304,327	-	304,327	-
Sales tax					28,817,588	-	28,817,588	-
Use tax					1,849,062	-	1,849,062	-
Sales and use tax audit					231,231	-	231,231	-
La Plata County shared sales tax					5,055,318	-	5,055,318	-
La Plata County joint sales tax					2,106,311	-	2,106,311	-
Other taxes					1,024,846	-	1,024,846	-
Franchise fees and occupational taxes					1,239,603	-	1,239,603	-
Lodgers taxes					750,023	-	750,023	-
Gain on disposal of capital assets					225,622	(34,315)	191,307	-
Investment earnings					223,309	156,382	379,691	-
Miscellaneous					2,777,019	558,759	3,335,778	-
Total General Revenues					47,507,812	680,826	48,188,638	291,527
Transfers					(87,500)	87,500	-	-
Total General Revenues and Transfers					47,420,312	768,326	48,188,638	291,527
Change in Net Position					13,521,544	4,712,797	18,234,341	(28,077)
Net Position Beginning of Year					222,629,867	110,606,084	333,235,951	246,402
Net Position End of Year	\$ 236,151,411	\$ 115,318,881	\$ 351,470,292	\$ 218,325				

See accompanying notes to the basic financial statements

City of Durango, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash on hand	\$ 5,000	\$ -	\$ -	\$ 5,000
Equity in treasurer's cash and investments	11,132,427	310,812	8,138,822	19,582,061
Cash held in escrow	480,972	-	-	480,972
Receivables:				
Accounts	410,466	510,000	8,275	928,741
Property taxes	2,939,590	-	-	2,939,590
Sales taxes	1,974,778	-	1,481,258	3,456,036
Franchise taxes	75,305	-	-	75,305
Lodger's taxes	-	-	46,906	46,906
Special assessments	5,550	-	-	5,550
Intergovernmental	2,148,539	849,407	-	2,997,946
Interest	7,220	268,433	-	275,653
Prepaid expenses	597,061	-	-	597,061
Interfund	837,000	-	-	837,000
Inventory	61,650	-	-	61,650
Total Assets	\$ 20,675,558	\$ 1,938,652	\$ 9,675,261	\$ 32,289,471
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 944,570	\$ 249,670	\$ 21,391	\$ 1,215,631
Accrued expenditures	881,600	-	-	881,600
Interfund payable	-	-	837,000	837,000
Deposits	571,433	-	-	571,433
Unearned revenue	57,070	-	-	57,070
Total Liabilities	2,454,673	249,670	858,391	3,562,734
Deferred Inflows of Resources				
Property taxes	2,939,590	-	-	2,939,590
Long term notes receivables	-	778,433	-	778,433
Total Deferred Inflows of Resources	2,939,590	778,433	-	3,718,023
Fund Balances				
Nonspendable	658,711	-	-	658,711
Restricted	1,718,717	-	3,554,403	5,273,120
Committed	80,901	910,549	5,266,846	6,258,296
Assigned	1,487,101	-	8,275	1,495,376
Unassigned	11,335,865	-	(12,654)	11,323,211
Total Fund Balances	15,281,295	910,549	8,816,870	25,008,714
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,675,558	\$ 1,938,652	\$ 9,675,261	\$ 32,289,471

See accompanying notes to the basic financial statements

City of Durango, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2020

Total Governmental Fund Balances		\$ 25,008,714
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**Amounts reported for governmental activities in the
statement of net position are different because:**

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets including investment in joint venture	\$ 348,799,185	
Less accumulated depreciation	<u>(157,239,356)</u>	191,559,829

City's joint venture equity interest in Durango-LaPlata County Airport	26,983,256
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Other receivables are not available to pay for current-period expenditures and, therefore are reported as a deferred inflow of resources in the funds.	778,433
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Net Pension liabilities are not recognized at the fund level but are reported at the government-wide level	(3,703,828)
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Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Deferred loss on refunding	292,310
Amounts related to pensions	<u>406,597</u>
	698,907

Deferred inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the funds	
Change in investment earnings	(4,339)
Amounts related to pensions	<u>(161,769)</u>
	-
	(166,108)

Internal service fund is used by management to charge the costs of general administrative services, equipment replacement and self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	13,438,530
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Liabilities, including bonds, accrued interest and compensated absences are not due and payable in the current period and therefore are not reported in the funds:	
Bonds and certificates of participation payable	(16,685,000)
Accrued interest on long term debt	(57,528)
Compensated absences	<u>(1,703,794)</u>
	(18,446,322)

Net Position Of Governmental Activities		<u>\$ 236,151,411</u>
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See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 2,903,553	\$ -	\$ -	\$ 2,903,553
Specific Ownership Taxes	304,327	-	-	304,327
Sales taxes	16,466,368	-	12,351,220	28,817,588
Use taxes	1,056,554	-	792,508	1,849,062
Sales and use tax audit	231,231	-	-	231,231
La Plata County shared sales tax	5,055,318	-	-	5,055,318
La Plata County joint sales tax	2,106,311	-	-	2,106,311
Lodgers taxes	-	-	750,023	750,023
Cigarette tax	81,045	-	-	81,045
Franchise fees and occupational taxes	1,760,040	-	-	1,760,040
Intergovernmental	3,460,820	1,659,348	196,825	5,316,993
Licenses and permits	630,933	-	8,000	638,933
Charges for services	4,852,108	-	-	4,852,108
Fines and forfeitures	62,661	-	-	62,661
Investment earnings	83,872	66,604	27,174	177,650
Miscellaneous	1,622,171	-	398,214	2,020,385
Total Revenues	40,677,312	1,725,952	14,523,964	56,927,228
Expenditures				
Current:				
General government	8,078,197	68,980	1,436	8,148,613
Public safety	15,188,575	-	-	15,188,575
Public works	3,421,122	3,262,320	-	6,683,442
Parks and recreation	5,956,147	7,868,653	-	13,824,800
Library	2,244,755	-	-	2,244,755
Community services	2,162,734	-	-	2,162,734
Economic development	-	-	794,934	794,934
Non-departmental	1,848,065	-	-	1,848,065
Capital outlay	-	-	1,149,147	1,149,147
Debt Service:				
Principal retirement	115,000	-	2,060,000	2,175,000
Interest and fiscal charges	76,475	-	373,467	449,942
Total Expenditures	39,091,070	11,199,953	4,378,984	54,670,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,586,242	(9,474,001)	10,144,980	2,257,221
Other Financing Sources (Uses)				
Transfers in	2,813,630	3,499,993	2,490,059	8,803,682
Transfers out	-	-	(8,891,182)	(8,891,182)
Total Other Financing Sources (Uses)	2,813,630	3,499,993	(6,401,123)	(87,500)
Net Change in Fund Balances	4,399,872	(5,974,008)	3,743,857	2,169,721
Fund Balances (Deficit) Beginning of Year	10,877,084	6,884,557	5,073,013	22,834,654
Increase in Reserve for Inventory	4,339	-	-	4,339
Fund Balances End of Year	\$ 15,281,295	\$ 910,549	\$ 8,816,870	\$ 25,008,714

See accompanying notes to the basic financial statements

City of Durango, Colorado
*Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2020*

Net Changes In Fund Balances - Total Governmental Funds	\$	2,169,721
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense and loss on disposal of assets in the current period.		
Depreciation expense	\$ (8,828,948)	
Loss on disposal of assets	(24,910)	
Capital outlay	<u>12,192,387</u>	3,338,529
Governmental funds do not report contributed capital assets but they are reported on statement of activities		2,014,532
Long term notes receivable and the accrued interest which do not provide current financial resources are not reported in the funds		778,433
Government funds do not report the change in the investment in the joint venture but the change is reported on the statement of activity		2,649,144
The internal service funds used by management to charge the costs of the general services, equipment reserve, risk manager and self-insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		1,626,818
Elimination of transfers between governmental funds		
Transfers in	8,803,682	
Transfers out	<u>(8,803,682)</u>	-
The increase in fund balance reserves for inventory are charged directly to the fund balances at the fund level but expenses are increased at the government-wide level.		-
Net Pension expense do not require the use of current financial resources and , therefore are not reported as expenditures in the governmental funds.		(1,115,165)
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		39,768
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		2,175,000
Deferred Loss on Refunding		(36,539)
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(118,697)
Change In Net Position of Governmental Activities	<u>\$</u>	<u>13,521,544</u>

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Water Utility Fund	Sewer Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
Assets					
Current Assets					
Equity in treasurer's cash and investments	\$ 16,066,269	\$ 2,555,084	\$ 3,616,749	\$ 22,238,102	\$ 6,636,193
Cash held with fiscal agent	-	2,329,083	-	2,329,083	-
Receivables					
Accounts	727,349	1,125,371	350,184	2,202,904	296,490
Intergovernmental	-	475,808	425,822	901,630	-
Inventory	129,762	16,251	-	146,013	307,452
Total Current Assets	16,923,380	6,501,597	4,392,755	27,817,732	7,240,135
Noncurrent Assets					
Note receivable	107,126	26,863	-	133,989	-
Capital Assets					
Land, easements and water rights	7,048,853	321,309	3,976,457	11,346,619	67,889
Construction in progress	1,174,827	218,003	-	1,392,830	-
Depreciable capital assets, net	40,849,038	83,402,008	7,825,240	132,076,286	6,927,184
Total Noncurrent Assets	49,179,844	83,968,183	11,801,697	144,949,724	6,995,073
Total Assets	66,103,224	90,469,780	16,194,452	172,767,456	14,235,208
Liabilities					
Current Liabilities					
Accounts payable	898,120	528,230	196,340	1,622,690	469,699
Accrued payroll	57,335	74,757	103,563	235,655	36,468
Compensated Absences - due in one year	58,174	20,355	82,309	160,838	42,250
Loan payable	194,164	2,581,327	-	2,775,491	-
Interest Payable	-	364,328	-	364,328	-
Total Current Liabilities	1,207,793	3,568,997	382,212	5,159,002	548,417
Long Term Liabilities					
Compensated absences net of current portion	58,173	20,355	82,308	160,836	42,249
Loan payable net of current portion	2,526,002	49,808,747	-	52,334,749	-
Total Liabilities	3,791,968	53,398,099	464,520	57,654,587	590,666
Net position					
Net investment in capital assets	46,293,580	33,833,329	11,801,697	91,928,606	6,995,073
Unrestricted	16,017,676	3,238,352	3,928,235	23,184,263	6,649,469
Total Net Position - Fund Level	\$ 62,311,256	\$ 37,071,681	\$ 15,729,932	\$ 115,112,869	\$ 13,644,542
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				206,012	
Net position of business type activities				\$ 115,318,881	

See accompanying notes to the basic financial statements

City of Durango, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds	
Operating Revenues						
Charges for sales and services	\$ 7,269,453	\$ 7,879,657	\$ 4,672,911	\$ 19,822,021	\$ 3,876,352	
Services provided	-	-	-	-	7,111,998	
Miscellaneous	125,045	205,378	212,325	542,748	373,823	
Total Operating Revenues	7,394,498	8,085,035	4,885,236	20,364,769	11,362,173	
Operating Expenses						
Administration	314,597	419,430	184,892	918,919	241,547	
Source of supply	80,279	-	-	80,279	-	
Pumping	107,342	-	-	107,342	-	
Transmission and distribution	999,146	-	-	999,146	-	
Treatment	965,368	1,615,218	-	2,580,586	-	
Meter reading and repairs	93,911	-	-	93,911	-	
Parking operations	-	-	585,802	585,802	-	
Collections	-	1,007,577	956,661	1,964,238	-	
Recycling	-	-	649,278	649,278	-	
Recycling center	-	-	449,853	449,853	-	
Sustainability	-	-	107,202	107,202	-	
Loop system	-	-	1,682,816	1,682,816	-	
Multi-modal	-	-	42,668	42,668	-	
Building maintenance	52,323	410	-	52,733	85,319	
Equipment maintenance	-	-	65,419	65,419	1,172,595	
Insurance claims and premiums	-	-	-	-	1,056,443	
Medical claims and premiums	-	-	-	-	5,864,838	
Non-departmental	311,737	154,056	524,206	989,999	-	
Payment for services	1,001,625	792,920	763,846	2,558,391	-	
Depreciation	1,506,164	2,694,129	529,318	4,729,611	1,389,237	
Total Operating Expenses	5,432,492	6,683,740	6,541,961	18,658,193	9,809,979	
Operating Income (Loss)	1,962,006	1,401,295	(1,656,725)	1,706,576	1,552,194	
Non-Operating Revenues (Expenses)						
Gain (loss) on the sale of capital assets	(39,815)	-	5,500	(34,315)	250,532	
Interest expense	(55,833)	(842,201)	-	(898,034)	-	
Intergovernmental grants	-	302,961	1,594,918	1,897,879	-	
Investment earnings	123,956	6,824	25,602	156,382	30,104	
Total Nonoperating Revenues (Expenses)	28,308	(532,416)	1,626,020	1,121,912	280,636	
Income (Loss) Before Capital Contributions and Transfers	1,990,314	868,879	(30,705)	2,828,488	1,832,830	
Capital contributions	1,189,694	401,103	-	1,590,797	-	
Transfers in	-	-	87,500	87,500	-	
Change in Net Position	3,180,008	1,269,982	56,795	4,506,785	1,832,830	
Net Position Beginning of Year	59,131,248	35,801,699	15,673,137	110,606,084	11,811,712	
Net Position End of Year	\$ 62,311,256	\$ 37,071,681	\$ 15,729,932	115,112,869	\$ 13,644,542	
Change in Net Assets (from above)				4,506,785		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				206,012		
Change in net assets of business-type activities.				\$4,712,797		

See accompanying notes to the basic financial statements.

City of Durango, Colorado
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Water Utility Fund	Sewer Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
<u>Cash flows from operating activities</u>					
Receipts from customers and users	\$ 7,358,138	\$ 7,847,950	\$ 4,793,563	\$ 19,999,651	\$ 10,993,746
Other receipts	125,045	205,378	212,325	542,748	349,070
Payments to suppliers and employees	(3,488,705)	(4,791,146)	(5,951,067)	(14,230,918)	(8,444,349)
Net cash provided by operating activities	<u>3,994,478</u>	<u>3,262,182</u>	<u>(945,179)</u>	<u>6,311,481</u>	<u>2,898,467</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Intergovernmental grants	-	-	10,616	10,616	-
Transfers from other funds	-	-	87,500	87,500	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>98,116</u>	<u>98,116</u>	<u>-</u>
<u>Cash flows from capital and related financing activities</u>					
Principal paid on capital debt	(190,434)	(2,536,480)	-	(2,726,914)	-
Interest paid on capital debt	(55,833)	(861,264)	-	(917,097)	-
Sale of capital assets	-	-	5,500	5,500	447,592
Contributed capital	489,584	165,290	-	654,874	-
Intergovernmental capital grants	-	302,961	1,389,783	1,692,744	-
Purchase of fixed assets	(5,471,755)	(5,025,860)	(589,748)	(11,087,363)	(2,136,146)
Net cash used for capital and related financing	<u>(5,228,438)</u>	<u>(7,955,353)</u>	<u>805,535</u>	<u>(12,378,256)</u>	<u>(1,688,554)</u>
<u>Cash flows from investing activities</u>					
Change in restricted holdings	-	6,866,959	-	6,866,959	-
Interest earned	123,956	6,824	25,602	156,382	30,104
Payments of loan receivables	15,572	-	-	15,572	-
Net cash provided by investing activities	<u>139,528</u>	<u>6,873,783</u>	<u>25,602</u>	<u>7,038,913</u>	<u>30,104</u>
Net change in cash and equivalents	(1,094,432)	2,180,612	(15,926)	1,070,254	1,240,017
Cash and equivalents, beginning of year	<u>17,160,701</u>	<u>374,472</u>	<u>3,632,675</u>	<u>21,167,848</u>	<u>5,396,176</u>
Cash and equivalents, end of year	<u>\$ 16,066,269</u>	<u>\$ 2,555,084</u>	<u>\$ 3,616,749</u>	<u>\$ 22,238,102</u>	<u>\$ 6,636,193</u>
Operating income (loss)	<u>\$ 1,962,006</u>	<u>\$ 1,401,295</u>	<u>\$ (1,656,725)</u>	<u>\$ 1,706,576</u>	<u>\$ 1,552,194</u>
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	1,506,164	2,694,129	529,318	4,729,611	1,389,237
Sale of assets	-	-	-	-	(24,753)
Decrease (increase) in accounts receivable	88,685	(19,072)	120,652	190,265	15,375
Decrease (increase) in inventory	2,141	(12,635)	-	(10,494)	(9,979)
Decrease (increase) in accounts payable	418,405	(799,766)	22,702	(358,659)	(25,625)
Decrease (increase) in accrued liabilities	9,592	15,955	13,955	39,502	6,997
Decrease (increase) in compensated absences	7,485	(17,724)	24,919	14,680	(4,979)
Total adjustments	<u>2,032,472</u>	<u>1,860,887</u>	<u>711,546</u>	<u>4,604,905</u>	<u>1,346,273</u>
Net cash provided by operating activities	<u>\$ 3,994,478</u>	<u>\$ 3,262,182</u>	<u>\$ (945,179)</u>	<u>\$ 6,311,481</u>	<u>\$ 2,898,467</u>
<u>Noncash flows from capital and related financing activities</u>					
Donations of capital assets	<u>\$ 700,110</u>	<u>\$ 235,813</u>	<u>\$ -</u>	<u>\$ 935,923</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

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

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

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

1-A. Reporting Entity

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

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

On May 5, 2020, the City Council established an Urban Renewal Authority, the Durango Renewal Partnership (the Partnership). City Council appoints five of the nine board members. Currently, the Partnership has no sources of revenues and the City is paying its formation costs. Those amounts were reported in the general fund. As a result, the Partnership has no transactions to report for the year ended December 31, 2020. In future years it is anticipated that the Partnership will be reported as a blended component unit.

A description of the discretely presented component unit follows:

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

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (continued)

The primary government and the component unit is presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and City's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers.

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*. Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

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

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

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

-

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

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (continued)

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

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

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

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

1-C. Measurement Focus

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

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

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

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

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting.

Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting (continued)

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

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

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

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On the governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows of resources.

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

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

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

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

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

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-1 Cash, Cash Equivalents, and Investments (continued)

Investments are reported at fair value based on valuation techniques discussed in Note 3-A with disclosures on the level of the fair value hierarchy based on inputs from the valuation technique. Investments in governmental external investment pools are reported at amortized cost or net asset value and are not subject to the fair value hierarchy. The City Charter authorizes the City to invest in any manner that is then permitted by the statutes of Colorado.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at December 31, 2020.

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

1-E-3 Interfund Balances

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

1-E-4 Consumable Inventories

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

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

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reflected as nonspendable as this amount is not available for general appropriation.

1-E-6 Capital Assets

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

All capital assets are capitalized at acquisition value and updated for additions and retirements during the year.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-6 Capital Assets (continued)

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

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

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

1-E-7 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify as a deferred outflow of resources. These are deferred outflows of resources related to the loss on refunding and the Old Hire Fire and Police Pension Plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items which are considered deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and is recognized as an inflow of resources in the period for which they were levied. There is also a deferred inflow of resources related to the Old Hire Fire and Police Pension Plans.

1-E-8 Compensated Absences

Governmental Funds – As of January 1, 2006 the City implemented a "Paid time off" (PTO) policy. Benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments, where applicable.

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

Proprietary Funds – Accumulated paid time off at December 31, 2020, for employees of the proprietary funds have been accrued. These compensated absences are recognized as current salary costs when earned in the proprietary funds.

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

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-9 Accrued Liabilities and Long-term Obligations (continued)

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

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

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

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

1-E-11 Fund Balance/Net Position

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

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

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

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

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

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

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-11 Fund Balance/Net Position (continued)

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

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

1-E-12 Operating Revenues and Expenses

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

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

1-E-13 Contributions of Capital

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

1-E-14 Interfund Activity

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

1-E-15 Estimates

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-16 Comparative Data

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

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The governmental fund budgets are adopted on a basis consistent with GAAP except for the revolving loan and debt service funds, which have no adopted budgeted. In addition, the Durango Conference Center Business Improvement District, a discretely presented component unit, approves a budget each fiscal year, however, it is not presented as a budget is not required. Adopted budgets for enterprise and internal service funds are presented on a non-GAAP basis.

Formal budgetary integration is employed as a management control device during the year for the general fund, all special revenue funds, the capital projects fund and all proprietary fund types. Budgetary control for funds not formally budgeted is alternatively achieved through financial management plans or as the result of established ordinances. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval.

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

Unencumbered amounts for the operating portion of the budget lapse at year-end.

2-B. Durango Tourism Fund Balance – The Durango Tourism Fund has negative equity of \$12,654 at December 31, 2020. The City's 2021 budget anticipates this shortfall will be corrected in the ensuing year.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it, not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least one hundred and two percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission. At December 31, 2020, the City's cash deposits had a bank balance of \$20,506,109 and a carrying balance of \$19,740,878. At December 31, 2020, of the City's deposits \$509,196 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$20,052,913 was covered by the PDPA.

Also at December 31, 2020, the City has \$2,329,083 which represents unexpended debt proceeds. These amounts are shown as restricted assets on the Statement of Net Position.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

These proceeds are held by the lender, the Colorado Water Resources and Power Development Authority, an agency of the State of Colorado. The Authority's investments are either in local government investment pools or U.S. Treasuries or Obligations.

At December 31, 2020 the bank and carrying balance of the Durango Conference Center Business Improvement District was \$224,537 and \$217,578 respectively. The entire bank balance was covered by the Federal Deposit Insurance Corporation (FDIC).

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

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

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

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

As of December 31, 2020, the City had \$3,071,725 invested in the Colorado Local Governments Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements creating and operating COLOTRUST. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. COLOTRUST is rated AAAM by Standards and Poor's. At December 31, 2020 COLOTRUST had a weighted average maturity of 13 days to reset and 92 days to final maturity. Investments of COLOTRUST are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. The City is invested in the Plus+ portfolio.

As of December 31, 2020, the City had \$32,346,569 invested in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is an investment vehicle established for local government entities in Colorado to pool surplus funds. At December 31, 2020 CSAFE had a weighted average maturity of 33.94 days to reset and 92 maturity. Investments in CSAFE are shown at amortized cost for financial reporting purposes.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

CSAFE is rated AAAm by Standards and Poor's. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. As of December 31, 2020 the City had the following investments and maturities:

Investment Type	S&P Rating	Less Than One Year	1-5 Years	Fair Value	Percentage
US Treasury	AA +	\$ 2,065,119	\$ -	\$ 2,065,119	6%
ColoTrust	AAAm	3,071,725	-	3,071,725	8%
CSAFE	AAAm	32,346,569	-	32,346,569	86%
Total		<u>\$ 37,483,413</u>	<u>\$ -</u>	<u>\$ 37,483,413</u>	
Investments					
Reconciliation to Total Deposits and Investments				\$ 37,483,413	
Add :					
Cash on Hand and in Banks				19,746,177	
Component Unit				217,778	
Cash held with fiscal agent			\$ 2,329,083		
Investment in ICMA			55,900		
Investment in Empower Retirement			48,565		
Restricted Cash and Investments				2,433,548	
Joint ventures share of pooled cash				(8,391,727)	
Total Cash and Investments				<u>\$ 51,489,189</u>	

Cash & Investment Reconciliation:

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

Fund Reporting level:

Governmental Funds - Cash on Hand	\$ 5,000
Governmental Funds - Equity in treasurer's cash and investments	19,582,061
Governmental Funds - Cash held in escrow	480,972
Proprietary Fund Type Statement of Net Position - Enterprise Funds	22,238,102
Proprietary Fund Type Statement of Net Position - Internal Service Funds	6,636,193
Cash held with fiscal agent	2,329,083
Cash and investments - Component Unit	217,778
Total	<u>\$ 51,489,189</u>

Government-wide level:

Cash and investments Governmental Activities- primary government	\$ 26,704,226
Cash and investments Business Type Activities - primary government	22,238,102
Restricted assets	2,329,083
Cash and investments - Component Unit	217,778
	<u>\$ 51,489,189</u>

In addition to the amounts on deposit of \$217,578 the Durango Conference Center Business Improvement District had cash on hand totaling \$200. At December 31, 2020, cash and investments were \$217,778.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (continued)

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

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

At least 5 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day’s notice. The City’s total portfolio was within these limits for the year ended December 31, 2020. Restricted cash and assets are those assets that are restricted by voter restriction or restricted legally by state statutes or city code of ordinances.

Fair Value – The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs. At December 31, 2020 the US Treasury security is valued using level 1 inputs. As COLOTRUST is valued at net asset value reporting of fair value measurements is not applicable. In addition, CSAFE is valued at amortized cost.

3-B. Receivables

Receivables at December 31, 2020, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants. Receivables and payables are recorded on the City’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The City has loans and has also deferred the collection of certain fees related to affordable housing projects. At December 31, 2020 the largest of these is a loan for \$510,000, recorded in the Capital Projects Fund. This note carries an interest rate of 3%. Principal and accrued interest on this loan is due in 2033. The City has recorded accrued interest on this loan of \$268,433. The Water Utility Fund has loans totaling \$107,126. The Sewer Utility Fund has loans totaling \$26,863.

3-C. Property Taxes

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represents 2020 taxes levied and budgeted for and collectible in calendar year 2021. This amount also is reflected as deferred inflow of resources at the fund financial reporting level and the government-wide financial reporting level. Following are details of the property tax calendar:

Lien date	January 1 (current year)
Levy date	December 15 (prior year)
First half installment due	March 1
Second half installment due	June 15
If paid in full	April 30

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities, including internal service funds, for the year ended December 31, 2020, were as follows:

	Balance 1/1/2020	Additions	Deletions	Transfers/ Adjustments	Balance 12/31/2020
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 29,987,277	\$ -	\$ -	\$ -	\$ 29,987,277
Construction in progress	6,860,148	1,405,963	(24,913)	(6,687,146)	1,554,052
Total capital assets not being depreciated	36,847,425	1,405,963	(24,913)	(6,687,146)	31,541,329
Other capital assets:					
Buildings	49,187,774	-	-	(336,680)	48,851,094
Improvements	1,101,610	12,085,825	-	649,500	13,836,935
Equipment	24,629,313	2,099,949	(994,632)	781,984	26,516,614
Infrastructure	238,904,460	751,329	-	5,573,492	245,229,281
Total depreciable capital assets	313,823,157	14,937,103	(994,632)	6,668,296	334,433,924
Accumulated depreciation:					
Buildings	15,213,794	1,033,579	-	43,258	16,290,631
Improvements	1,165,865	47,382	-	(50,160)	1,163,087
Equipment	15,335,766	1,876,658	(797,572)	(55,898)	16,358,954
Infrastructure	126,327,918	7,260,566	-	19,195	133,607,679
Total accumulated depreciation	158,043,343	10,218,185	(797,572)	(43,605)	167,420,351
Total depreciable capital as sets, net	155,779,814	4,718,918	(197,060)	6,711,901	167,013,573
Governmental activities capital assets, net	\$ 192,627,239	\$ 6,124,881	\$ (221,973)	\$ 24,755	\$ 198,554,902

The following are the changes in the business-type activities, excluding internal service funds, for the year ended December 31, 2020:

	Balance 1/1/2020	Additions	Deletions	Transfers/ Adjustments	Balance 12/31/2020
Business Type activities:					
Capital assets not being depreciated					
Land and Easements	\$ 5,493,887	\$ -	\$ -	\$ (17,500)	\$ 5,476,387
Water Rights	5,852,732	-	-	17,500	5,870,232
Construction in progress	3,814,039	956,041	(39,815)	(3,337,435)	1,392,830
Total capital assets not being depreciated	15,160,658	956,041	(39,815)	(3,337,435)	12,739,449
Other capital assets:					
Buildings	87,449,623	7,556,237	-	2,277,650	97,283,510
Equipment	9,860,520	2,155,641	(164,034)	(1,750,913)	10,101,214
Infrastructure	70,832,191	1,483,042	-	2,433,304	74,748,537
Total depreciable capital assets	168,142,334	11,194,920	(164,034)	2,960,041	182,133,261
Accumulated depreciation:					
Buildings	13,666,082	2,364,324	-	-	16,030,406
Equipment	5,903,355	548,469	(164,034)	(249,719)	6,038,071
Infrastructure	26,171,680	1,816,818	-	-	27,988,498
Total accumulated depreciation	45,741,117	4,729,611	(164,034)	(249,719)	50,056,975
Total depreciable capital as sets, net	122,401,217	6,465,309	-	3,209,760	132,076,286
Governmental activities capital assets, net	\$ 137,561,875	\$ 7,421,350	\$ (39,815)	\$ (127,675)	\$ 144,815,735

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

Governmental activities depreciation expense is allocated as follows:

General government	\$ 1,754,590
Public safety	87,141
Public works	5,835,926
Library	399,360
Parks and recreation	2,141,168
Total governmental activities depreciation expense	<u>\$ 10,218,185</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (continued)

Business-type activities depreciation expense is allocated as follows:

Water	\$ 1,506,164
Sewer	2,694,129
Nonmajor	529,318
Total business-type activities depreciation expense	<u>\$ 4,729,611</u>

3-E. – Interfund Balances and Transfers

Of the interfund balances at December 31, 2020, the \$837,000 interfund receivable from the general fund to the capital improvement, the recreation/complex trails, and the Durango Tourism funds are related to a short-term cash loans that will be paid back during 2021. The government wide transactions are the result of the allocation of the internal service funds.

Fund Level	Interfund Receivable	Interfund Payable
Durango Tourism fund	\$ -	\$ 60,000
Recreation Complex/Trails fund		294,000
Capital Improvement fund	-	247,000
2007 Sales Tax Bonds Debt Service fund		236,000
General fund	837,000	-
	<u>\$ 837,000</u>	<u>\$ 837,000</u>
Government Wide Level		
Governmental Activities	\$ -	\$ 206,012
Business-Type Activities	206,012	-
	<u>\$ 206,012</u>	<u>\$ 206,012</u>

Interfund transfers for the year ended December 31, 2020, consisted of the following:

Transfers To	Transfers From	Total
	Non-major	
General fund	\$ 2,813,630	\$ 2,813,630
Capital projects fund	3,499,993	3,499,993
Non-major governmental funds	2,490,059	2,490,059
Non-major enterprise funds	87,500	87,500
	<u>\$ 8,891,182</u>	<u>\$ 8,891,182</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Compensated Absences

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Operating Leases

The City is committed under various cancelable leases for real property and equipment which end in 2021. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2020, were approximately \$120,000. The future minimum lease payments are as follows:

Year Ending		
2021	\$	124,339
2022		125,473
2023		54,648
2024		54,648
2025		54,648
2026-2030		273,245
2031-2035		273,245
2036-2040		273,245
2041-2045		273,245
2046-2050		273,245
2051-2055		273,245
2056-2060		273,245
2061-2065		273,245
2066-2070		273,245
2071-2075		273,245
2076-2080		273,245
2081-2085		273,245
2086-2090		273,245
2091-2095		273,245
2096-2100		273,245
2101-2105		273,245
2106-2110		273,245
2111		54,648
Total	\$	5,113,569

The City is also a lessor of land, office space, and parking space under operating leases. Renewal options are available on certain leases. Due to the nature of the leases, i.e. cellular phone towers or leases with annual rents of \$1, there is no correlation between the asset value, annual depreciation and the amount of future minimum rental receipts. Future minimum rental payments to be received under operating leases are as follows:

Year Ending		
2021	\$	338,879
2022		337,091
2023		343,403
2024		133,754
2025		74,260
Total	\$	1,227,387

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2020:

Governmental Activities	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020	Amounts Due in One Year
Direct Borrowings and Placements					
2014 Certificates of Participation	\$ 2,185,000	\$ -	\$ 115,000	\$ 2,070,000	\$ 115,000
2016 Sales & Use Refunding Note	6,585,000	-	1,040,000	5,545,000	1,060,000
2017 Sales & Use Refunding Note	10,090,000	-	1,020,000	9,070,000	1,040,000
Compensated absences	1,585,097	1,429,377	1,310,680	1,703,794	851,897
Compensated absences - ISF	89,478	71,378	76,357	84,499	42,250
Total Governmental Activities	<u>\$ 20,534,575</u>	<u>\$ 1,500,755</u>	<u>\$ 3,562,037</u>	<u>\$ 18,473,293</u>	<u>\$ 3,109,147</u>
Business Type Activities	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020	Amounts Due in One Year
Direct Borrowings and Placements					
Colorado Water Loan - Water	\$ 2,910,599	\$ -	\$ 190,433	\$ 2,720,166	\$ 194,164
Colorado Water Loan - Sewer	51,620,442	-	2,352,606	49,267,836	2,397,453
Colorado Water Loan - Sewer 0% Interest	2,187,500	-	125,000	2,062,500	125,000
Loan Premium Amortization	1,118,612	-	58,874	1,059,738	58,874
Compensated absences - enterprise funds	306,994	388,592	373,912	321,674	160,838
Total Business Type Activities	<u>\$ 58,144,147</u>	<u>\$ 388,592</u>	<u>\$ 3,100,825</u>	<u>\$ 55,431,914</u>	<u>\$ 2,936,329</u>

Revenue Bonds – In 2007, the City issued \$15,890,000 Sales and Use Tax Revenue Bonds, Series 2007, with interest rates ranging from 4.00 percent to 4.125 percent due in annual installments of \$625,000 to \$1,215,000 beginning December 1, 2008 through December 1, 2025. In April of 2016, the City advanced refunded these bonds. The Sales and Use Revenue Refunding Note has an interest rate of 2.04 percent. Payment for the bonds is from a one-half of one percent sales and use tax. The 2016 Sales and Use Revenue Refunding Note were originally issued for the construction of a new Public Library. Annual debt service requirements to amortize the 2016 sales and use tax revenue bonds outstanding, as of December 31, 2020 follow:

Year Ending	Principal	Interest	Total
2021	\$ 1,060,000	\$ 113,118	\$ 1,173,118
2022	1,085,000	91,494	1,176,494
2023	1,110,000	69,360	1,179,360
2024	1,130,000	46,716	1,176,716
2025	1,160,000	23,664	1,183,664
Total	<u>\$ 5,545,000</u>	<u>\$ 344,352</u>	<u>\$ 5,889,352</u>

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

Annual debt service requirements to amortize the 2017 sales and use tax revenue bonds outstanding, as of December 31, 2020 follow:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

Year Ending	Principal	Interest	Total
2021	\$ 1,040,000	\$ 214,960	\$ 1,254,960
2022	1,070,000	190,312	1,260,312
2023	1,095,000	164,952	1,259,952
2024	1,120,000	139,001	1,259,001
2025	1,145,000	112,457	1,257,457
2026-2028	3,600,000	172,063	3,772,063
Total	<u>\$ 9,070,000</u>	<u>\$ 993,745</u>	<u>\$ 10,063,745</u>

In 2013, the City obtained a long-term loan from Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$4,000,000 to purchase water storage and rights for the Water Fund. The term of the loan is 20 years with an interest rate of 1.95%. Loan payments in the amount of \$246,266 are due annually.

Year Ending	Principal	Interest	Total
2021	\$ 194,164	\$ 52,102	\$ 246,266
2022	197,969	48,297	246,266
2023	201,848	44,418	246,266
2024	205,803	40,463	246,266
2025	209,836	36,430	246,266
2026-2030	1,112,491	118,832	1,231,323
2031-2033	598,055	17,607	615,662
Total	<u>\$ 2,720,166</u>	<u>\$ 358,149</u>	<u>\$ 3,078,315</u>

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

Year Ending	Principal	Interest	Total
2021	\$ 125,000	\$ -	\$ 125,000
2022	125,000	-	125,000
2023	125,000	-	125,000
2024	125,000	-	125,000
2025	125,000	-	125,000
2026-2030	625,000	-	625,000
2031-2035	625,000	-	625,000
2036-2037	187,500	-	187,500
	<u>\$ 2,062,500</u>	<u>\$ -</u>	<u>\$ 2,062,500</u>

Year Ending	Principal	Interest	Total
2021	\$ 2,397,453	\$ 874,388	\$ 3,271,841
2022	2,438,775	829,888	3,268,663
2023	2,481,893	787,138	3,269,031
2024	2,526,093	746,138	3,272,231
2025	2,565,548	707,138	3,272,686
2026-2030	13,234,132	3,120,832	16,354,964
2031-2035	14,243,301	2,112,415	16,355,716
2036-2038	9,380,641	435,169	9,815,810
	<u>\$ 49,267,836</u>	<u>\$ 9,613,106</u>	<u>\$ 58,880,942</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-Term Debt (Continued)

Certificates of Participation - In 2014, the City issued series 2014 Certificates of Participation in the amount of \$2,700,000, with an interest rate of 3.5% proceeds will be used to construct Wilson Gulch Road in what is known as Three Springs within the City limits. This road will provide for economic development with big box retailers to ensure long term viability for the City. The City has leased real property, the Public Works Building, to the lender who leased the property back to the City. In the event of a default, the City may have to vacate the building and the lender can lease the real property to another entity. A schedule, by years, of future minimum lease payments under the lease agreement as of December 31, 2020 follows:

Year Ending	Principal	Interest	Total
2021	\$ 115,000	\$ 72,450	\$ 187,450
2022	120,000	68,425	188,425
2023	125,000	64,225	189,225
2024	130,000	59,850	189,850
2025	135,000	55,300	190,300
2026-2030	750,000	202,127	952,127
2031-2035	695,000	61,951	756,951
	<u>\$ 2,070,000</u>	<u>\$ 584,328</u>	<u>\$ 2,654,328</u>

The Water Fund charges and services provide funding for annual payments on the water storage loan. The Sewer Fund charges and services provide funding for annual payments on the two loans. The City believes they are in compliance with all covenants related to all long-term debt. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The General fund is used to liquidate the compensated absences liability.

3-I. Pensions

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

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

Fire Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 50 with 20 years of service. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 1.75 percent of final salary times service in excess of 20 years served since January 1, 1992. The maximum benefit amount is limited to 70 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2020 there are no active members in the plan.

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

Police Plan Benefits Provided - Members are eligible for retirement benefits upon reaching age 55 with 20 years service or upon completion of 25 years of service, if earlier. Such benefits are equivalent to a monthly pension equal to 2.5 percent of final salary times service limited to 20 years plus 2.0 percent of final salary times service in excess of 20 years, limited to a maximum total benefit of 75 percent of final salary. Members are vested after ten years of service. A Deferred Retirement Option Plan (DROP) amendment received a favorable determination by the Internal Revenue Service in December 2001. The amendment allows active members to elect to have a monthly benefit, along with their employee contributions to the plan, deposited into a separate account while they continue to be employed. However, they must terminate from the City no later than five years after the election. Upon termination, the participant receives the benefit of all funds accumulated in their DROP account as well as a monthly pension payment. As of December 31, 2020 there are no active members in the plan.

Membership of each plan was comprised of the following on December 31, 2020:

	Fire Pension	Police Pension
Retirees and beneficiaries	7	7
Inactive, Nonretired Members	-	-
Active plan members	-	-
	<u>7</u>	<u>7</u>
	<u><u>7</u></u>	<u><u>7</u></u>

Contributions - The contributions of plan members and the City are established by state statute under Title 31, Article 30 of the CRS, as amended. The City is contributing to the plans at the level required by the actuarial valuations. The General Fund has typically been used to liquidate pension liabilities.

Contributions to the plans for the year ended December 31, 2020 were as follows:

	Fire Pension	Police Pension
Employer Contributions	<u>\$ 137,304</u>	<u>\$ 141,741</u>
	<u><u>\$ 137,304</u></u>	<u><u>\$ 141,741</u></u>

Net Pension Liability – Fire Plan

The City of Durango's net pension liability for the Plan is measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the January 1, 2020 actuarial valuations were determined using the following actuarial assumptions:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality Post-retirement:	For ages less than 55, RP_2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

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

The assumptions shown above pertain to the actuarial valuation as of January 1, 2020 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

Asset Allocation for FPPA

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

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	3.20%
Fixed Income	80.00%	5.00%
Managed Futures	0.00%	4.70%
Absolute Return	0.00%	5.00%
Equity Long /Short	0.00%	6.50%
Global Equity	10.00%	7.70%
Private Markets	0.00%	9.50%
Total	100.00%	

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%.

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2019

Total pension liability	
Interest on the Total Pension Liability	\$ 160,868
Difference between expected and actual experience of the Total Pension Liability	21,086
Changes of assumptions	521,325
Benefit payments	(253,843)
Net change in total pension liability	449,436
Total pension liability - beginning	2,269,528
Total pension liability - ending	<u>\$ 2,718,964</u>
Plan fiduciary net position	
Contribution - employer	\$ 142,388
Net investment income	120,642
Benefit payments	(253,843)
Pension Plan Administrative Expense	(2,419)
Net change in plan fiduciary net position	6,768
Plan fiduciary net position - beginning	1,004,018
Plan fiduciary net position - ending	<u>1,010,786</u>
Net pension liability/ (asset)	<u>\$ 1,708,178</u>
Plan fiduciary net position as percentage of total pension liability	37.18%

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

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	Sensitivity			
	1 % Decrease	Rate Assumption	1 % Increase	
	3.50%	4.50%	5.50%	
Old Hire - Fire - Pension Liability	\$ 1,949,205	\$ 1,708,178	\$ 1,500,120	

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2020, the City recognized pension expense of \$508,469. At 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
Net difference between projected and actual earnings on investments	\$ 50,874	\$ 64,025
Contributions Subsequent to measurement date	137,304	-
Total	\$ 188,178	\$ 64,025

\$137,304 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (1,691)
2022	(6,877)
2023	5,323
2024	(9,906)
Total	\$ (13,151)

Net Pension Liability – Police Plan

The City of Durango's net pension liability for the Plan is measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the January 1, 2020 actuarial valuations were determined using the following actuarial assumptions:

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	18 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality Post-retirement:	For ages less than 55, RP_2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
	Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

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

The assumptions shown above pertain to the actuarial valuation as of January 1, 2020 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

Asset Allocation for FPPA

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

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.00%	3.20%
Fixed Income	80.00%	5.00%
Managed Futures	0.00%	4.70%
Absolute Return	0.00%	5.00%
Equity Long /Short	0.00%	6.50%
Global Equity	10.00%	7.70%
Private Markets	0.00%	9.50%
Total	100.00%	

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%.

Schedule of Changes in Net Pension Liability and Related Ratios Current Period
Measurement Period Ended December 31, 2019

Total pension liability		
Interest on the Total Pension Liability	\$	213,805
Difference between expected and actual experience of the Total Pension Liability		(116,414)
Changes of assumptions		741,283
Benefit payments		(295,881)
Net change in total pension liability		542,793
Total pension liability - beginning		2,995,995
Total pension liability - ending	\$	3,538,788
Plan fiduciary net position		
Contribution - employer	\$	141,741
Contributions - employee		
Net investment income		181,762
Benefit payments		(295,881)
Pension Plan Administrative Expense		(2,419)
Net change in plan fiduciary net position		25,203
Plan fiduciary net position - beginning		1,517,935
Plan fiduciary net position - ending		1,543,138
Net pension liability/ (asset)	\$	1,995,650
Plan fiduciary net position as percentage of total pension liability		43.61%

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

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

		Sensitivity		
		1 % Decrease	Rate Assumption	1 % Increase
		3.50%	4.50%	5.50%
Old Hire - Police - Pension Liability	\$	2,336,833	\$ 1,995,650	\$ 1,702,845

Pension Plan Fiduciary Net Position

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

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

For the year ended December 31, 2020, the City recognized pension income of \$606,696. At 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
Net difference between projected and actual earnings on investments	\$ 76,678	\$ 97,744
Contributions Subsequent to measurement date	141,741	-
Total	<u>\$ 218,419</u>	<u>\$ 97,744</u>

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

2021	\$ (3,646)
2022	(11,042)
2023	8,360
2024	(14,738)
Total	<u>\$ (21,066)</u>

The City participates in two defined contribution plans.

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

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees covered by this plan are eligible to participate from the date of employment. The plan defines the City and employee contributions at 11.2% and 9% respectively. The City's contributions for each employee are fully vested after five years. The contributions are vested at 20% each year. City contributions for and interest forfeited by employees who leave employment before five years of service are used to reduce the City's obligations to contributed. The City applied participant forfeitures of \$35,677 to reduce the City share of contributions. As of December 31, 2020, the City had \$48,565 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2020 was \$21,362,751. The City's payroll for employees covered by the plan was \$3,823,188. The contribution to the plan totaled \$772,285, which consists of \$344,087 contributed by employees and \$428,197 contributed by the City.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (continued)

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

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

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

The City applied participant forfeitures of \$144,606 to reduce the City share of contributions. As of December 31, 2020, the City had \$55,900 in unapplied forfeitures, which are reported as cash in these financial statements.

The City's total payroll for the year ended December 31, 2020 was \$21,040,851. The City's payroll for employees covered by the plan was \$16,158,119. The contribution to the plan totaled \$3,263,939, which consists of \$1,454,232 contributed by employees and \$1,809,707 contributed by the City.

3-J. Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2020 are as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	\$ 365,975,253	\$ 194,872,710
Less accumulated depreciation	167,420,351	50,056,975
Book value	198,554,902	144,815,735
Less capital related debt	(16,685,000)	(55,110,242)
Less retainage	(20,880)	(105,970)
Plus proceeds not yet drawn from lender	-	2,329,083
Net investment in capital assets	<u>\$ 181,849,022</u>	<u>\$ 91,928,606</u>

3-K Fund Equity

Fund Balances - Fund balances are classified as follows:

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

General Fund:

Prepaid expense	\$ 597,061
Inventory	61,650
Total	<u>\$ 658,711</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

3-K Fund Equity (continued)

- **Restricted** -The following fund balances are legally restricted to specified purposes:

Nonmajor Governmental Funds:

Capital Improvement Fund	\$ 283
Parks, Open Space and Trails Fund	3,204,211
Conservation Trust projects	167,634
Sales Tax Bonds Debt Service Fund	191
2007 Sales Tax Bonds Debt Service	182,084
Total	<u>\$ 3,554,403</u>

General Fund:

Emergencies	\$ 1,614,253
Pension	104,464
Total	<u>\$ 1,718,717</u>

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

General fund	<u>\$ 80,901</u>
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Major Capital Projects Fund:

Capital projects	<u>\$ 910,549</u>
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Nonmajor Governmental Funds:

Park development projects	\$ 76,923
Street improvement projects	1,493,896
Road Impact fee projects	438,235
Recreation Complex/Trails	3,249,640
Storm drainage fee projects	8,152
Total	<u>\$ 5,266,846</u>

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

General Fund:

Funds held in escrow	\$ 480,972
Affordable housing	1,006,129
Total	<u>\$ 1,487,101</u>

Nonmajor Governmental Funds:

Loan payables	<u>\$ 8,275</u>
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Durango Tourism Fund Balance – The Durango Tourism Fund has negative equity of \$12,654 at December 31, 2020. The City's 2021 budget anticipates this shortfall will be corrected in the ensuing year.

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 - Other Notes

4-A. Risk Management

Employee Medical Insurance - Effective January 1, 1985, the City began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of City employees and their covered dependents up to certain limits and to minimize the total cost of annual medical insurance to the City. The employer pays employee and a percentage of the dependent coverage.

Claims are processed and paid by Meritain Health, a third-party administrator. Individual excess risk coverage commences after an individual has incurred \$75,000 of claims in a year. The City carried the aggregate coverage for any claims up to a maximum of \$1,000,000 in 2020. The excess risk coverage for both individual and aggregate claims coverage was covered by Risk Assessment Management, a private insurance carrier. Settled claims have not exceeded coverage in any of the past three fiscal years. The claims liability reported in the Self Insurance Fund (an internal service fund) at December 31, 2020 is based on claims reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

Date	Beginning of Year Liability	Current Year Claims and Changes in estimates	Claims Payments	End of Year Liability
2018	\$ 526,559	\$ 4,136,328	\$ 4,296,264	\$ 366,623
2019	366,623	3,924,359	3,911,076	379,906
2020	379,906	3,841,155	3,854,780	366,281

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

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

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

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 - Other Notes (Continued)

4-B. Contingent Liabilities

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

The City was a defendant in several lawsuits at December 31, 2020. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

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

The Airport's net position at fiscal year-end was \$53,966,512, 50 percent equity interest is booked as the joint venture. The City's equity interest in the airport is reported in the government-wide capital assets. The City's equity interest in the Durango-LaPlata County Airport was \$26,983,256 at December 31, 2020. The Durango La Plata County Airport issues separate financial statements which may be obtained from the Airport or from the City of Durango Finance Department.

Condensed Statement of Net Position

	Business-type Activities 2020
Assets:	
Current assets	\$ 10,335,020
Capital assets	44,292,076
Total assets	<u>54,627,096</u>
Liabilities:	
Current liabilities	593,497
Long-term liabilities	67,087
Total liabilities	<u>660,584</u>
Net Position:	
Net investment in Capital Assets	44,292,076
Restricted	4,118,499
Unrestricted	5,555,937
Total net position	<u>\$ 53,966,512</u>

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 - Other Notes (Continued)

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

Summary of Changes in Net Position

	Business-type Activities 2020
Revenues:	
Operating revenues	\$ 2,968,949
Non-operating revenues	8,617,252
Total revenues	<u>11,586,201</u>
Expenses:	
Operating expense	3,136,861
Non-operating expense	39,617
Depreciation	3,111,436
Total expenses	<u>6,287,914</u>
Changes in net position	5,298,287
Beginning net position	48,668,225
Ending net position	<u><u>\$ 53,966,512</u></u>

4-D. Tax, Spending and Debt Limitations

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As described in Note 3-K, these financial statements report an emergency reserve of \$1,614,253. During 2020, the City Council passed an ordinance which allows the City to fund the TABOR emergency reserves with unencumbered or unrestricted cash, real property or any unused TABOR Emergency Reserves.

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

City of Durango, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 - Other Notes (Continued)

4-E. Subsequent Event

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. Signed into law on March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) provides additional funding to aid in the recovery from the budgetary, economic and financial impacts of the COVID-19 pandemic. The city expects to receive federal funding of approximately \$65.4 million as a result of ARPA. The first payment of \$32.7 million was received on May 20, 2021. The city is currently assessing the needs of the community to determine the best use of these funds on eligible uses; the funding must be obligated by December 31, 2024 and spent by December 31, 2026.

4-F Adoption Of Current GASB Pronouncements

For the year ended December 31, 2020, the City implemented the following Governmental Accounting Standards Board (GASB) statements; GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No.88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. Financial statement note 3-H has been revised to reflect the requirements of GASB Statement No. 88. The remaining statements did not have a material impact on the City’s financial statements.

4-G Future GASB Pronouncements

In addition, the City has reviewed pronouncements which have been issued but not yet implemented. Of those, only GASB Statement No. 87, *Leases* may have a material impact on the City. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. On May 6, 2020, GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones GASB 87’s effective date to reporting periods beginning after June 15, 2021. The impact of the lease pronouncement on the City's financial statements is currently being evaluated and has not yet been fully determined.

4-H Commitments and Contingencies

At December 31, 2020, the City has open purchase orders totaling \$2,140,931 which will be completed during 2021.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2020

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

Measurement Year Ending December 31,

	2014	2015	2016	2017	2018	2019
For Reporting Year Ending December 31,						
	2015	2016	2017	2018	2019	2020
Total pension liability						
Interest on the Total Pension Liability	\$ 153,060	\$ 156,903	\$ 167,874	\$ 162,946	\$ 166,841	\$ 160,868
Benefit Changes	146,102	-	131,823	-	120,167	-
Difference between expected and actual experience	-	19,701	-	17,472	-	21,086
Changes of assumptions	-	91,649	-	-	-	521,325
Benefit payments	(253,376)	(242,277)	(238,568)	(257,593)	(239,393)	(253,843)
Net change in total pension liability	45,786	25,976	61,129	(77,175)	47,615	449,436
Total pension liability - beginning	2,165,197	2,210,983	2,236,959	2,299,088	2,221,913	2,269,528
Total pension liability - ending	\$ 2,210,983	\$ 2,236,959	\$ 2,298,088	\$ 2,221,913	\$ 2,269,528	\$ 2,718,964
Plan fiduciary net position						
Contribution - employer	\$ 234,321	\$ 117,868	\$ 117,868	\$ 126,278	\$ 258,101	\$ 142,388
Net investment income	71,839	19,430	49,741	130,707	(1,245)	120,642
Benefit payments	(253,376)	242,277	(238,568)	(257,593)	(239,393)	(253,843)
Pension Plan Administrative Expense	(5,792)	5,037	(4,730)	(2,004)	(5,777)	(2,419)
Net change in plan fiduciary net position	46,992	384,612	(75,689)	(2,612)	11,686	6,768
Plan fiduciary net position - beginning	1,133,657	1,180,649	1,070,633	994,944	992,332	1,004,018
Plan fiduciary net position - ending	\$ 1,180,649	\$ 1,565,261	\$ 994,944	\$ 992,332	\$ 1,004,018	\$ 1,010,786
Net pension liability/(asset)	\$ 1,030,334	\$ 671,698	\$ 1,304,144	\$ 1,229,581	\$ 1,265,510	\$ 1,708,178
Plan fiduciary net position as percentage of total pension liability	53.40%	47.86%	43.28%	44.66%	44.24%	37.18%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

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

Fiscal Year Ending December 31,

	2013	2014	2015	2016	2017	2018	2019
For Reporting Year Ending December 31,							
	2014	2015	2016	2017	2018	2019	2020
Actuarially determined annual required contribution	\$ 93,408	\$ 117,868	\$ 117,868	\$ 126,278	\$ 126,278	\$ 142,388	\$ 142,388
Contributions in relation to the actuarially determined contribution	234,321	117,868	117,868	126,278	126,278	142,388	151,991
Contribution deficiency (excess)	\$ (140,913)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,603
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2020

Notes to schedule:

Validation date:

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020.

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: For ages less than 55, RP_2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

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

The assumptions shown above pertain to the actuarial valuation as of January 1, 2020 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2020

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Old Hire Police Pension Plan
For the Last Ten Fiscal Years

Measurement Year Ending December 31,

	2014	2015	2016	2017	2018	2019
For Reporting Year Ending December 31,	2015	2016	2017	2018	2019	2020
Total pension liability						
Interest on the Total Pension Liability	\$ 199,962	\$ 205,124	\$ 216,400	\$ 210,904	\$ 218,807	\$ 213,805
Benefit Changes	153,187	-	137,606	-	132,122	-
Difference between expected and actual experience	-	(29,987)	-	52,524	-	(116,414)
Changes of assumptions	-	114,413	-	-	-	741,283
Benefit payments	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)
Net change in total pension liability	62,734	11,529	78,464	(40,914)	75,433	542,793
Total pension liability - beginning	2,808,749	2,871,483	2,883,012	2,299,088	2,920,562	2,995,995
Total pension liability - ending	\$ 2,871,483	\$ 2,883,012	\$ 2,961,476	\$ 2,258,174	\$ 2,995,995	\$ 3,538,788
Plan fiduciary net position						
Contribution - employer	\$ 253,957	\$ 110,495	\$ 110,495	\$ 122,870	\$ 260,476	\$ 141,741
Net investment income	108,853	29,792	77,637	204,149	(775)	181,762
Benefit payments	(290,415)	(278,021)	(275,542)	(304,342)	(275,496)	(295,881)
Pension Plan Administrative Expense	(6,641)	(2,741)	(5,561)	(2,004)	(5,777)	(2,419)
Net change in plan fiduciary net position	65,754	(140,475)	(92,971)	20,673	(21,572)	25,203
Plan fiduciary net position - beginning	1,686,526	1,752,280	1,611,805	1,518,834	1,539,507	1,517,935
Plan fiduciary net position - ending	\$ 1,752,280	\$ 1,611,805	\$ 1,518,834	\$ 1,539,507	\$ 1,517,935	\$ 1,543,138
Net pension liability/(asset)	\$ 1,119,203	\$ 1,271,207	\$ 1,442,642	\$ 718,667	\$ 1,478,060	\$ 1,995,650
Plan fiduciary net position as percentage of total pension liability	61.02%	55.91%	51.29%	52.71%	44.24%	43.61%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

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

Measurement Year Ending December 31,

	2013	2014	2015	2016	2017	2018	2019
For Reporting Year Ending December 31,	2014	2015	2016	2017	2018	2019	2020
Actuarially determined annual required contribution	\$ 106,210	\$ 110,495	\$ 110,495	\$ 122,870	\$ 122,870	\$ 141,741	\$ 156,271
Actual Contribution	253,957	110,495	110,495	122,870	122,870	141,741	141,741
Contribution deficiency (excess)	\$ (147,747)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,530
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

City of Durango, Colorado
Required Supplementary Information
For the Year Ended December 31, 2020

Notes to schedule:

Validation date:

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020.

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	18 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: For ages less than 55, RP_2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

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

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality Post-retirement:	2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980):	Post-retirement rates set forward three years.

Required Supplementary Information
City of Durango, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Property taxes	\$ 2,977,183	\$ 2,977,183	\$ 2,903,553	\$ (73,630)	\$ 2,712,128
Specific Ownership Taxes	315,000	315,000	304,327	(10,673)	299,727
Sales taxes	16,787,163	16,787,163	16,466,368	(320,795)	16,381,884
Use taxes	1,300,000	1,300,000	1,056,554	(243,446)	1,009,212
Sales and use tax audit	150,000	150,000	231,231	81,231	32,610
La Plata County shared sales tax	4,377,500	4,377,500	5,055,318	677,818	4,432,322
La Plata County joint sales tax	2,160,050	2,160,050	2,106,311	(53,739)	2,232,115
Cigarette tax	85,000	85,000	81,045	(3,955)	77,682
Franchise fees and occupational taxes	1,726,500	1,726,500	1,760,040	33,540	1,692,419
Special assessments	15,000	15,000	-	(15,000)	-
Intergovernmental	2,549,560	4,372,910	3,460,820	(912,090)	3,422,970
Licenses and permits	772,500	772,500	630,933	(141,567)	729,708
Charges for services	7,290,971	7,290,971	4,852,108	(2,438,863)	6,539,922
Fines and forfeitures	196,000	196,000	62,661	(133,339)	138,544
Investment earnings	125,000	125,000	83,872	(41,128)	339,087
Miscellaneous	1,317,478	1,317,478	1,622,171	304,693	1,755,122
Total Revenues	42,144,905	43,968,255	40,677,312	(3,290,943)	41,795,452
Expenditures					
Current					
General government	9,243,468	10,310,905	8,078,197	2,232,708	8,394,641
Public safety	15,929,249	16,176,765	15,188,575	988,190	14,558,963
Public works	3,866,742	3,866,742	3,421,122	445,620	3,444,109
Parks and recreation	8,578,294	8,691,899	5,956,147	2,735,752	7,343,800
Library	2,796,504	2,796,504	2,244,755	551,749	2,383,009
Community services	938,602	1,401,719	2,162,734	(761,015)	1,302,020
Non-departmental	2,075,931	2,075,931	1,848,065	227,866	1,833,941
Principal retirement	115,000	115,000	115,000	-	110,000
Interest and fiscal charges	76,475	76,475	76,475	-	80,325
Total Expenditures	43,620,265	45,511,940	39,091,070	6,420,870	39,450,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,475,360)	(1,543,685)	1,586,242	3,129,927	2,344,644
Other Financing Sources (Uses)					
Sale of capital assets	5,000	5,000	-	(5,000)	1,176
Transfers in	2,728,341	2,728,341	2,813,630	85,289	720,908
Transfers out	(1,055,756)	(1,055,756)	-	1,055,756	-
Total Other Financing Sources (Uses)	1,677,585	1,677,585	2,813,630	1,136,045	722,084
Net Change in Fund Balances	\$ 202,225	\$ 133,900	4,399,872	\$ 4,265,972	3,066,728
Fund Balances Beginning of Year			10,877,084		7,822,925
Increase in Reserve for Inventory			4,339		(12,569)
Fund Balances End of Year			\$ 15,281,295		\$ 10,877,084

City of Durango, Colorado
Required Supplementary Information
General Fund
Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

The 2020 budget was prepared using the five goals adopted by City Council. Those goals are:

- Continue to address Durango's affordable/attainable housing, including options for homeless population,
- Expand Durango's unique identity as a driver of enhanced quality of life and sense of place,
- Improve environmental resiliency and encourage responsible stewardship of natural resources,
- Require & support effective utilization of resources, and
- Advance fiscal sustainability and resiliency

The budget has prioritized operating a conservative budget for FY2020. This has been implemented in this budget by conservative spending based on a five-year average of actual expenditures. The 2020 budget also invested in the City's greatest assets by implementing a modified version of the compensation study; which brought employees into the appropriate range for their job classification and provided a 3% cost of living adjustment. Moreover, this budget has set priorities around the 2019 Sales Tax to put forward aggressive spending on street improvement projects.

The final goal of the budget was to reestablish the General Fund fund balances with a total fund balance of twenty-one percent.

The general fund budget is adopted on a basis consistent with GAAP. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within the general fund. Any change in total to a fund or departmental appropriation within a fund requires City Council approval. The City Council may authorize additional appropriations during the budget year for expenditures required, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. The City Manager may transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office, or agency. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office, or agency to another.

The City Council made additional appropriations as follows during the year:

	Orginial Budget	Supplemental Appropriations	Final Budget
Revenues	\$ 44,878,246	\$ 1,823,350	\$ 46,701,596
Expenditures	44,676,021	1,891,675	46,567,696
Excess of Revenues over expenditures	<u>\$ 202,225</u>	<u>\$ (68,325)</u>	<u>\$ 133,900</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

Debt Service Funds

Sales Tax Bonds Debt Service Fund – To accumulate monies for payment of the 2008, 2007 and 2009 series Sales and Use Tax Revenue Bonds.

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

Capital Projects Fund

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

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

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 4,741,186	\$ 418,275	\$ 2,979,361	\$ 8,138,822
Receivables				
Accounts	8,275	-	-	8,275
Sales and use taxes	987,734	-	493,524	1,481,258
Lodger's taxes	46,906	-	-	46,906
Total Assets	<u><u>\$ 5,784,101</u></u>	<u><u>\$ 418,275</u></u>	<u><u>\$ 3,472,885</u></u>	<u><u>\$ 9,675,261</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 21,391	\$ 21,391
Interfund payable	354,000	236,000	247,000	837,000
Total Liabilities	<u>354,000</u>	<u>236,000</u>	<u>268,391</u>	<u>858,391</u>
Fund Balances				
Restricted	167,634	182,275	3,204,494	3,554,403
Committed	5,266,846	-	-	5,266,846
Assigned	8,275	-	-	8,275
Unassigned	(12,654)	-	-	(12,654)
Total Fund Balances	<u>5,430,101</u>	<u>182,275</u>	<u>3,204,494</u>	<u>8,816,870</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,784,101</u></u>	<u><u>\$ 418,275</u></u>	<u><u>\$ 3,472,885</u></u>	<u><u>\$ 9,675,261</u></u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Sales taxes	\$ 8,236,066	\$ -	\$ 4,115,154	\$ 12,351,220
Use taxes	528,462	-	264,046	792,508
Lodgers' taxes	750,023	-	-	750,023
Intergovernmental	196,825	-	-	196,825
Licenses and permits	8,000	-	-	8,000
Investment earnings	2,555	-	24,619	27,174
Miscellaneous	398,214	-	-	398,214
Total Revenues	10,120,145	-	4,403,819	14,523,964
Expenditures				
Current				
General government	1,436	-	-	1,436
Economic development	794,934	-	-	794,934
Capital Outlay	-	-	1,149,147	1,149,147
Debt Service				
Principal retirement	-	2,060,000	-	2,060,000
Interest and fiscal charges	-	373,467	-	373,467
Total Expenditures	796,370	2,433,467	1,149,147	4,378,984
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,323,775	(2,433,467)	3,254,672	10,144,980
Other Financing Sources (Uses)				
Transfers in	-	2,197,018	293,041	2,490,059
Transfers out	(6,285,823)	-	(2,605,359)	(8,891,182)
Total Other Financing Sources (Uses)	(6,285,823)	2,197,018	(2,312,318)	(6,401,123)
Net Change in Fund Balances	3,037,952	(236,449)	942,354	3,743,857
Fund Balances Beginning of Year	2,392,149	418,724	2,262,140	5,073,013
Fund Balances End of Year	\$ 5,430,101	\$ 182,275	\$ 3,204,494	\$ 8,816,870

City of Durango, Colorado
General Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash on hand	\$ 5,000	\$ 5,279
Equity in treasurer's cash and investments	11,132,427	8,534,826
Cash held in escrow	480,972	634,738
Receivables:		
Accounts receivable	410,466	311,981
Property taxes	2,939,590	2,917,639
Sales and use taxes receivable	1,974,778	1,786,475
Franchise taxes	75,305	74,522
Special assessments	5,550	5,550
Intergovernmental receivables	2,148,539	1,774,334
Interest	7,220	121,043
Prepaid expenses	597,061	-
Interfund	837,000	515,000
Inventory	61,650	57,311
Total Assets	<u>\$ 20,675,558</u>	<u>\$ 16,738,698</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 944,570	\$ 1,166,635
Accrued expenditures	881,600	807,946
Deposits	571,433	735,666
Unearned revenue	57,070	233,728
Total Liabilities	<u>2,454,673</u>	<u>2,943,975</u>
Deferred Inflows of Resources		
Property taxes	2,939,590	2,917,639
Total Deferred Inflows of Resources	<u>2,939,590</u>	<u>2,917,639</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,394,263</u>	<u>5,861,614</u>
Fund Balances		
Nonspendable	658,711	57,311
Restricted	1,718,717	1,747,322
Committed	80,901	(2,941,883)
Assigned	1,487,101	634,738
Unassigned	11,335,865	11,379,596
Total Fund Balances	<u>15,281,295</u>	<u>10,877,084</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,675,558</u>	<u>\$ 16,738,698</u>

City of Durango, Colorado
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			2019	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Taxes:					
Property	\$ 2,977,183	\$ 2,977,183	\$ 2,903,553	\$ (73,630)	\$ 2,712,128
Specific ownership	315,000	315,000	304,327	(10,673)	299,727
Sales tax	16,787,163	16,787,163	16,466,368	(320,795)	16,381,884
Use tax	1,300,000	1,300,000	1,056,554	(243,446)	1,009,212
Sales and use tax audit	150,000	150,000	231,231	81,231	32,610
La Plata County sales tax	4,377,500	4,377,500	5,055,318	677,818	4,432,322
Joint sales tax	2,160,050	2,160,050	2,106,311	(53,739)	2,232,115
Cigarette tax	85,000	85,000	81,045	(3,955)	77,682
Franchise and business tax	1,726,500	1,726,500	1,760,040	33,540	1,692,419
Total Taxes	29,878,396	29,878,396	29,964,747	86,351	28,870,099
Licenses and Permits:					
Business license and permits	371,500	371,500	343,891	(27,609)	411,237
Building permits	401,000	401,000	287,042	(113,958)	318,471
Total Licenses and Permits	772,500	772,500	630,933	(141,567)	729,708
Intergovernmental:					
Grants	395,174	2,218,524	1,478,421	(740,103)	1,162,030
Highway user tax	526,559	526,559	487,396	(39,163)	668,725
Severance/mineral lease	297,827	297,827	176,801	(121,026)	297,825
Motor vehicle registration	67,000	67,000	68,709	1,709	66,590
Road and bridge	200,000	200,000	210,895	10,895	196,449
Other intergovernmental	1,063,000	1,063,000	1,038,598	(24,402)	1,031,351
Total Intergovernmental	2,549,560	4,372,910	3,460,820	(912,090)	3,422,970
Charges for Services:					
General government charges	235,500	235,500	122,202	(113,298)	178,514
Public safety charges	152,274	152,274	89,168	(63,106)	37,051
Cemetery charges	95,500	95,500	73,515	(21,985)	98,050
Recreation Center charges	2,650,868	2,650,868	1,053,242	(1,597,626)	2,298,564
Recreation program charges	1,633,982	1,633,982	948,902	(685,080)	1,283,209
Total Charges for Services	4,768,124	4,768,124	2,287,029	(2,481,095)	3,895,388
Fines and Forfeits:					
Traffic fines	150,000	150,000	50,754	(99,246)	102,406
Non-traffic fines	20,000	20,000	9,022	(10,978)	12,789
Library fines	26,000	26,000	2,885	(23,115)	23,349
Total Fines and Forfeits	196,000	196,000	62,661	(133,339)	138,544
Special assessments	15,000	15,000	-	(15,000)	-
Miscellaneous					
Pension forfeitures	85,000	85,000	168,264	83,264	189,997
Rents and royalties	383,000	383,000	362,133	(20,867)	357,271
Contributions and donations	65,300	65,300	5,075	(60,225)	226,059
Other miscellaneous	784,178	784,178	1,086,699	302,521	981,795
Total Miscellaneous	1,317,478	1,317,478	1,622,171	304,693	1,755,122
Services provided	2,522,847	2,522,847	2,565,079	42,232	2,644,534
Investment earnings	125,000	125,000	83,872	(41,128)	339,087
Total Revenues	42,144,905	43,968,255	40,677,312	(3,290,943)	41,795,452
Other Financing Sources (Uses)					
Sale of capital assets	5,000	5,000	-	(5,000)	1,176
Transfers in	2,728,341	2,728,341	2,813,630	85,289	720,908
Total Other Financing Sources (Uses)	2,733,341	2,733,341	2,813,630	80,289	722,084
Total Revenues and Other Financing Sources	\$ 44,878,246	\$ 46,701,596	\$ 43,490,942	\$ (3,210,654)	\$ 42,517,536

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			2019	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
General Government					
Legislative					
City council	\$ 330,959	\$ 1,363,396	\$ 281,185	\$ 1,082,211	\$ 267,457
City boards	-	-	14	(14)	-
Total Legislative	330,959	1,363,396	281,199	1,082,197	267,457
Executive and Legal					
City manager	741,377	756,377	582,374	174,003	777,171
City attorney	387,608	387,608	318,771	68,837	359,126
Total Executive and Legal	1,128,985	1,143,985	901,145	242,840	1,136,297
Administrative					
Human resources	526,658	526,658	463,444	63,214	479,090
City clerk	623,799	623,799	541,306	82,493	509,168
Public Information	395,083	395,083	268,524	126,559	269,618
Total Administrative	1,545,540	1,545,540	1,273,274	272,266	1,257,876
Finance					
Accounting	990,620	990,620	902,042	88,578	884,028
Finance	854,670	854,670	856,312	(1,642)	731,457
Information systems	2,310,518	2,310,518	2,045,901	264,617	2,109,142
Municipal court	321,885	321,885	284,935	36,950	287,898
Total Finance	4,477,693	4,477,693	4,089,190	388,503	4,012,525
Community Development					
Planning	1,547,634	1,567,634	1,355,612	212,022	1,413,667
Code enforcement	212,657	212,657	177,777	34,880	207,101
Total Community Development	1,760,291	1,780,291	1,533,389	246,902	1,620,768
Total General Government	9,243,468	10,310,905	8,078,197	2,232,708	8,294,923
Public Safety					
Police					
Administration	8,417,770	8,665,286	7,823,213	842,073	2,865,985
Operations	-	-	75	(75)	4,618,204
Total Police	8,417,770	8,665,286	7,823,288	841,998	7,484,189
911 Communications	1,765,335	1,765,335	1,601,678	163,657	1,634,471
Fire					
Fire services	5,746,144	5,746,144	5,763,609	(17,465)	5,440,303
Total Public Safety	15,929,249	16,176,765	15,188,575	988,190	14,558,963

City of Durango, Colorado
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020			2019	
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Public Works					
Engineering	932,401	932,401	870,099	62,302	872,239
Street maintenance	1,719,067	1,719,067	1,579,359	139,708	1,505,286
Snow and ice	841,836	841,836	623,467	218,369	707,265
Street cleaning	373,438	373,438	348,197	25,241	359,319
Total Public Works	<u>3,866,742</u>	<u>3,866,742</u>	<u>3,421,122</u>	<u>445,620</u>	<u>3,444,109</u>
Parks and Recreation					
Parks and recreation administration	503,226	503,226	420,398	82,828	460,771
Recreation administration	220,110	220,110	153,192	66,918	197,947
Recreation programs	1,155,752	1,155,752	546,644	609,108	879,562
Cemetery	434,479	434,479	321,999	112,480	312,157
Parks	3,011,787	3,125,392	2,437,765	687,627	2,662,533
Recreation center	2,739,317	2,739,317	1,659,811	1,079,506	2,398,574
Chapman Hill	513,623	513,623	416,338	97,285	432,256
Total Parks and Recreation	<u>8,578,294</u>	<u>8,691,899</u>	<u>5,956,147</u>	<u>2,735,752</u>	<u>7,343,800</u>
Library	<u>2,796,504</u>	<u>2,796,504</u>	<u>2,244,755</u>	<u>551,749</u>	<u>2,383,009</u>
Community Services	<u>938,602</u>	<u>1,401,719</u>	<u>2,162,734</u>	<u>(761,015)</u>	<u>1,302,020</u>
Non-Departmental					
Miscellaneous	2,221,505	2,221,505	1,103,880	1,117,625	971,253
Buildings and plant	1,004,763	1,004,763	841,331	163,432	1,053,013
Durango Welcome Center	96,894	96,894	94,329	2,565	99,718
Total Non-Departmental	<u>3,323,162</u>	<u>3,323,162</u>	<u>2,039,540</u>	<u>1,283,622</u>	<u>2,123,984</u>
	<u>3,323,162</u>	<u>3,323,162</u>	<u>2,039,540</u>	<u>1,283,622</u>	<u>2,123,984</u>
Total Expenditures	<u>\$ 44,676,021</u>	<u>\$ 46,567,696</u>	<u>\$ 39,091,070</u>	<u>\$ 7,476,626</u>	<u>\$ 39,450,808</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Recreation Complex/Trails	Revolving Loan	Streets Improvement Fund	Durango Tourism
Assets				
Equity in treasurer's cash and investments	\$ 3,049,773	\$ -	\$ 1,000,029	\$ 440
Receivables				
Accounts	-	8,275	-	-
Sales taxes	493,867	-	493,867	-
Lodger's taxes	-	-	-	46,906
Total Assets	\$ 3,543,640	\$ 8,275	\$ 1,493,896	\$ 47,346
Liabilities and Fund Balances				
Liabilities				
Interfund payable	\$ 294,000	\$ -	\$ -	\$ 60,000
Total Liabilities	294,000	-	-	60,000
Fund Balances				
Restricted	-	-	-	-
Committed	3,249,640	-	1,493,896	-
Assigned	-	8,275	-	-
Unassigned	-	-	-	(12,654)
Total Fund Balances	3,249,640	8,275	1,493,896	(12,654)
Total Liabilities and Fund Balances	\$ 3,543,640	\$ 8,275	\$ 1,493,896	\$ 47,346

Parks & Recreation Development	Conservation Trust	Road Impact	Storm Drainage	Total Nonmajor Special Revenue Funds
\$ 76,923	\$ 167,634	\$ 438,235	\$ 8,152	\$ 4,741,186
-	-	-	-	8,275
-	-	-	-	987,734
-	-	-	-	46,906
<u>\$ 76,923</u>	<u>\$ 167,634</u>	<u>\$ 438,235</u>	<u>\$ 8,152</u>	<u>\$ 5,784,101</u>
\$ -	\$ -	\$ -	\$ -	\$ 354,000
-	-	-	-	354,000
-	167,634	-	-	167,634
76,923	-	438,235	8,152	5,266,846
-	-	-	-	8,275
-	-	-	-	(12,654)
<u>76,923</u>	<u>167,634</u>	<u>438,235</u>	<u>8,152</u>	<u>5,430,101</u>
<u>\$ 76,923</u>	<u>\$ 167,634</u>	<u>\$ 438,235</u>	<u>\$ 8,152</u>	<u>\$ 5,784,101</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

	Recreation Complex/Trails	Revolving Loan	Streets Improvement Fund	Durango Tourism
Revenues				
Sales taxes	\$ 4,118,033	\$ -	\$ 4,118,033	\$ -
Use taxes	264,231	-	264,231	-
Lodgers taxes	-	-	-	750,023
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>4,382,264</u>	<u>-</u>	<u>4,382,264</u>	<u>750,023</u>
Expenditures				
Current				
General government	-	1,436	-	-
Economic development	-	-	-	794,934
Total Expenditures	<u>-</u>	<u>1,436</u>	<u>-</u>	<u>794,934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,382,264</u>	<u>(1,436)</u>	<u>4,382,264</u>	<u>(44,911)</u>
Other Financing Sources (Uses)				
Transfers out	(702,135)	-	(5,203,147)	(87,500)
Total Other Financing Sources (Uses)	<u>(702,135)</u>	<u>-</u>	<u>(5,203,147)</u>	<u>(87,500)</u>
Net Change in Fund Balances	3,680,129	(1,436)	(820,883)	(132,411)
Fund Balances Beginning of Year	<u>(430,489)</u>	<u>9,711</u>	<u>2,314,779</u>	<u>119,757</u>
Fund Balances End of Year	<u><u>\$ 3,249,640</u></u>	<u><u>\$ 8,275</u></u>	<u><u>\$ 1,493,896</u></u>	<u><u>\$ (12,654)</u></u>

Parks & Recreation Development	Conservation Trust	Road Impact	Storm Drainage	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 8,236,066
-	-	-	-	528,462
-	-	-	-	750,023
-	196,825	-	-	196,825
8,000	-	-	-	8,000
624	1,873	-	58	2,555
27,819	-	370,395	-	398,214
36,443	198,698	370,395	58	10,120,145
-	-	-	-	1,436
-	-	-	-	794,934
-	-	-	-	796,370
36,443	198,698	370,395	58	9,323,775
(43,041)	(250,000)	-	-	(6,285,823)
(43,041)	(250,000)	-	-	(6,285,823)
(6,598)	(51,302)	370,395	58	3,037,952
83,521	218,936	67,840	8,094	2,392,149
<u>\$ 76,923</u>	<u>\$ 167,634</u>	<u>\$ 438,235</u>	<u>\$ 8,152</u>	<u>\$ 5,430,101</u>

City of Durango, Colorado
Recreation Complex and Trails Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 3,049,773	\$ -
Sales and use taxes receivable	<u>493,867</u>	<u>446,775</u>
Total Assets	<u><u>\$ 3,543,640</u></u>	<u><u>\$ 446,775</u></u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	<u>\$ 294,000</u>	<u>\$ 877,264</u>
Total Liabilities	<u>294,000</u>	<u>877,264</u>
Fund Balances		
Committed	3,249,640	-
Unassigned	<u>-</u>	<u>(430,489)</u>
Total Fund Balances	<u>3,249,640</u>	<u>(430,489)</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,543,640</u></u>	<u><u>\$ 446,775</u></u>

City of Durango, Colorado
Recreation Complex and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual</u>
Revenues					
Sales taxes	\$ 4,169,053	\$ 4,169,053	\$ 4,118,033	\$ (51,020)	\$ 4,096,528
Use taxes	325,355	325,355	264,231	(61,124)	252,361
Investment earnings	1,500	1,500	-	(1,500)	-
Total Revenues	<u>4,495,908</u>	<u>4,495,908</u>	<u>4,382,264</u>	<u>(113,644)</u>	<u>4,348,889</u>
Other Financing Sources (Uses)					
Transfers out	<u>(4,495,908)</u>	<u>(5,205,908)</u>	<u>(702,135)</u>	<u>4,503,773</u>	<u>(4,963,568)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (710,000)</u>	<u>3,680,129</u>	<u>\$ 4,390,129</u>	<u>(614,679)</u>
Fund Balances Beginning of Year			<u>(430,489)</u>		<u>184,190</u>
Fund Balances End of Year			<u>\$ 3,249,640</u>		<u>\$ (430,489)</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Loan receivables	\$ 8,275	\$ 9,711
Total Assets	<u>\$ 8,275</u>	<u>\$ 9,711</u>
Liabilities and Fund Balances		
Fund Balances		
Assigned	\$ 8,275	\$ 9,711
Total Fund Balances	<u>8,275</u>	<u>9,711</u>
Total Liabilities and Fund Balances	<u>\$ 8,275</u>	<u>\$ 9,711</u>

City of Durango, Colorado
Revolving Loan Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Expenditures		
Current		
General government	\$ 1,436	\$ 31,604
Total Expenditures	<u>1,436</u>	<u>31,604</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(1,436)	(31,604)
Fund Balances Beginning of Year	<u>9,711</u>	<u>41,315</u>
Fund Balances End of Year	<u><u>\$ 8,275</u></u>	<u><u>\$ 9,711</u></u>

City of Durango, Colorado
Streets Improvement Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 1,000,029	\$ 1,868,004
Sales and use taxes receivable	<u>493,867</u>	<u>446,775</u>
Total Assets	<u><u>\$ 1,493,896</u></u>	<u><u>\$ 2,314,779</u></u>
Liabilities and Fund Balances		
Fund Balances		
Committed	<u>\$ 1,493,896</u>	<u>\$ 2,314,779</u>
Total Fund Balances	<u>1,493,896</u>	<u>2,314,779</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,493,896</u></u>	<u><u>\$ 2,314,779</u></u>

City of Durango, Colorado
Streets Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual</u>
Revenues					
Sales taxes	\$ 4,169,053	\$ 4,169,053	\$ 4,118,033	\$ (51,020)	\$ 2,214,066
Use taxes	325,355	325,355	264,231	(61,124)	100,713
Investment earnings	3,000	3,000	-	(3,000)	-
Total Revenues	<u>4,497,408</u>	<u>4,497,408</u>	<u>4,382,264</u>	<u>(115,144)</u>	<u>2,314,779</u>
Other Financing Sources (Uses)					
Transfers out	<u>(6,247,145)</u>	<u>(6,547,145)</u>	<u>(5,203,147)</u>	<u>1,343,998</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,749,737)</u>	<u>\$ (2,049,737)</u>	<u>(820,883)</u>	<u>\$ 1,228,854</u>	<u>2,314,779</u>
Fund Balances Beginning of Year			<u>2,314,779</u>		<u>-</u>
Fund Balances End of Year			<u>\$ 1,493,896</u>		<u>\$ 2,314,779</u>

City of Durango, Colorado
Durango Tourism Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 440	\$ 56,258
Lodger's taxes receivable	<u>46,906</u>	<u>63,499</u>
Total Assets	<u><u>\$ 47,346</u></u>	<u><u>\$ 119,757</u></u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	<u>\$ 60,000</u>	<u>\$ -</u>
Total Liabilities	<u>60,000</u>	<u>-</u>
Fund Balances		
Committed	-	119,757
Unassigned	<u>(12,654)</u>	<u>-</u>
Total Fund Balances	<u>(12,654)</u>	<u>119,757</u>
Total Liabilities and Fund Balances	<u><u>\$ 47,346</u></u>	<u><u>\$ 119,757</u></u>

City of Durango, Colorado
Durango Tourism Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Lodgers taxes	\$ 1,150,000	\$ 1,150,000	\$ 750,023	\$ (399,977)	\$ 1,098,958
Total Revenues	<u>1,150,000</u>	<u>1,150,000</u>	<u>750,023</u>	<u>(399,977)</u>	<u>1,098,958</u>
Expenditures					
Economic development	<u>754,607</u>	<u>754,607</u>	<u>794,934</u>	<u>(40,327)</u>	<u>862,114</u>
Total Expenditures	<u>754,607</u>	<u>754,607</u>	<u>794,934</u>	<u>(40,327)</u>	<u>862,114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>395,393</u>	<u>395,393</u>	<u>(44,911)</u>	<u>(440,304)</u>	<u>236,844</u>
Other Financing Sources (Uses)					
Transfers out	<u>(475,000)</u>	<u>(475,000)</u>	<u>(87,500)</u>	<u>387,500</u>	<u>(350,000)</u>
Net Change in Fund Balances	<u>\$ (79,607)</u>	<u>\$ (79,607)</u>	<u>(132,411)</u>	<u>\$ (52,804)</u>	<u>(113,156)</u>
Fund Balances Beginning of Year			<u>119,757</u>		<u>232,913</u>
Fund Balances End of Year			<u>\$ (12,654)</u>		<u>\$ 119,757</u>

City of Durango, Colorado
Parks and Recreation Development Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 76,923	\$ 83,521
Total Assets	<u>\$ 76,923</u>	<u>\$ 83,521</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 76,923	\$ 83,521
Total Fund Balances	<u>76,923</u>	<u>83,521</u>
Total Liabilities and Fund Balances	<u>\$ 76,923</u>	<u>\$ 83,521</u>

City of Durango, Colorado
Parks and Recreation Development Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Licenses and permits	\$ 10,500	\$ 10,500	\$ 8,000	\$ (2,500)	\$ 10,400
Investment earnings	1,000	1,000	624	(376)	1,521
Miscellaneous	18,000	18,000	27,819	9,819	21,606
Total Revenues	<u>29,500</u>	<u>29,500</u>	<u>36,443</u>	<u>6,943</u>	<u>33,527</u>
Other Financing Sources (Uses)					
Transfers out	-	(43,041)	(43,041)	-	-
Net Change in Fund Balances	<u>\$ 29,500</u>	<u>\$ (13,541)</u>	<u>(6,598)</u>	<u>\$ 6,943</u>	<u>33,527</u>
Fund Balances Beginning of Year			83,521		49,994
Fund Balances End of Year			<u>\$ 76,923</u>		<u>\$ 83,521</u>

City of Durango, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 167,634	\$ 218,936
Total Assets	<u>\$ 167,634</u>	<u>\$ 218,936</u>
Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ 167,634	\$ 218,936
Total Fund Balances	<u>167,634</u>	<u>218,936</u>
Total Liabilities and Fund Balances	<u>\$ 167,634</u>	<u>\$ 218,936</u>

City of Durango, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Intergovernmental	\$ 195,000	\$ 195,000	\$ 196,825	\$ 1,825	\$ 212,145
Investment earnings	1,500	1,500	1,873	373	2,773
Total Revenues	196,500	196,500	198,698	2,198	214,918
Other Financing Sources (Uses)					
Transfers out	-	(250,000)	(250,000)	-	-
Net Change in Fund Balances	<u>\$ 196,500</u>	<u>\$ (53,500)</u>	(51,302)	<u>\$ 2,198</u>	214,918
Fund Balances Beginning of Year			218,936		4,018
Fund Balances End of Year			<u>\$ 167,634</u>		<u>\$ 218,936</u>

City of Durango, Colorado
Road Impact Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 438,235	\$ 67,840
Total Assets	<u>\$ 438,235</u>	<u>\$ 67,840</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 438,235	\$ 67,840
Total Fund Balances	<u>438,235</u>	<u>67,840</u>
Total Liabilities and Fund Balances	<u>\$ 438,235</u>	<u>\$ 67,840</u>

City of Durango, Colorado
Road Impact Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual</u>
Revenues					
Investment earnings	\$ 250	\$ 250	\$ -	\$ (250)	\$ -
Miscellaneous	350,000	350,000	370,395	20,395	289,832
Total Revenues	<u>350,250</u>	<u>350,250</u>	<u>370,395</u>	<u>20,145</u>	<u>289,832</u>
Other Financing Sources (Uses)					
Transfers out	(250,000)	(250,000)	-	250,000	(225,000)
Net Change in Fund Balances	<u>\$ 100,250</u>	<u>\$ 100,250</u>	<u>370,395</u>	<u>\$ 270,145</u>	<u>64,832</u>
Fund Balances Beginning of Year			<u>67,840</u>		<u>3,008</u>
Fund Balances End of Year			<u>\$ 438,235</u>		<u>\$ 67,840</u>

City of Durango, Colorado
Storm Drainage Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 8,152	\$ 8,094
Total Assets	<u>\$ 8,152</u>	<u>\$ 8,094</u>
Liabilities and Fund Balances		
Fund Balances		
Committed	\$ 8,152	\$ 8,094
Total Fund Balances	<u>8,152</u>	<u>8,094</u>
Total Liabilities and Fund Balances	<u>\$ 8,152</u>	<u>\$ 8,094</u>

City of Durango, Colorado
Storm Drainage Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
Revenues					
Charges for services	\$ 100	\$ 100	\$ -	\$ (100)	\$ -
Investment earnings	100	100	58	(42)	169
Miscellaneous	-	-	-	-	290
Total Revenues	<u>200</u>	<u>200</u>	<u>58</u>	<u>(142)</u>	<u>459</u>
Net Change in Fund Balances	<u>\$ 200</u>	<u>\$ 200</u>	<u>58</u>	<u>\$ (142)</u>	<u>459</u>
Fund Balances Beginning of Year			<u>8,094</u>		<u>7,635</u>
Fund Balances End of Year			<u>\$ 8,152</u>		<u>\$ 8,094</u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2020

	Sales Tax Bonds Debt Service Fund	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Assets			
Equity in treasurer's cash and investments	\$ 191	\$ 418,084	\$ 418,275
Liabilities			
Interfund payable	\$ -	\$ 236,000	\$ 236,000
Total Liabilities	-	236,000	236,000
Fund balances			
Restricted	191	182,084	182,275
Total Liabilities and Fund Balance	\$ 191	\$ 418,084	\$ 418,275

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City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020

	Sales Tax Bonds Debt Service Fund	2007 Sales Tax Bonds Debt Service Fund	Total Nonmajor Debt Service Funds
Expenditures			
Debt Service			
Principal retirement	\$ -	\$ 2,060,000	\$ 2,060,000
Interest and fiscal charges	-	373,467	373,467
Total Expenditures	-	2,433,467	2,433,467
Other financing sources (uses)			
Transfers in	-	2,197,018	2,197,018
Total Other Financing Sources (Uses)	-	2,197,018	2,197,018
Net Change in Fund Balances	-	(236,449)	(236,449)
Fund Balances Beginning of Year	191	418,533	418,724
Fund Balances End of Year	<u>\$ 191</u>	<u>\$ 182,084</u>	<u>\$ 182,275</u>

City of Durango, Colorado
Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 191	\$ 191
	<u>191</u>	<u>191</u>
Fund balances		
Restricted	191	191
	<u>191</u>	<u>191</u>
Total Liabilities and Fund Balances	<u>\$ 191</u>	<u>\$ 191</u>

City of Durango, Colorado
Sales Tax Bonds Debt Service Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
TOTAL	\$ -	\$ -
Net Change in Fund Balances	-	-
Fund Balances Beginning of Year	<u>191</u>	<u>191</u>
Fund Balances End of Year	<u>\$ 191</u>	<u>\$ 191</u>

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 418,084	\$ 418,533
Liabilities		
Interfund payable	236,000	-
Total Liabilities	236,000	-
Fund balances		
Restricted	182,084	418,533
Total Liabilities and Fund Balances	\$ 418,084	\$ 418,533

City of Durango, Colorado
2007 Sales Tax Bonds Debt Service Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Expenditures		
Debt Service		
Principal retirement	\$ 2,060,000	\$ 1,995,000
Interest and fiscal charges	<u>373,467</u>	<u>431,417</u>
Total Expenditures	<u>2,433,467</u>	<u>2,426,417</u>
Excess (Deficiency) of Revenues Over		
(Under) Expenditures	<u>(2,433,467)</u>	<u>(2,426,417)</u>
Other financing sources (uses)		
Transfers in	<u>2,197,018</u>	<u>2,427,004</u>
Total Other Financing Sources (Uses)	<u>2,197,018</u>	<u>2,427,004</u>
Net Change in Fund Balances	(236,449)	587
Fund Balances Beginning of Year	<u>418,533</u>	<u>417,946</u>
Fund Balances End of Year	<u><u>\$ 182,084</u></u>	<u><u>\$ 418,533</u></u>

City of Durango, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects Funds
December 31, 2020

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Total Nonmajor Capital Projects Funds
Assets			
Equity in treasurers cash and investments	\$ 521	\$ 2,978,840	\$ 2,979,361
Sales and use tax receivable	246,762	246,762	493,524
Total assets	\$ 247,283	\$ 3,225,602	\$ 3,472,885
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ -	\$ 21,391	\$ 21,391
Interfund payable	247,000	-	247,000
Total liabilities	247,000	21,391	268,391
Fund balances			
Restricted	283	3,204,211	3,204,494
Total fund balances	283	3,204,211	3,204,494
Total liabilities and fund balances	\$ 247,283	\$ 3,225,602	\$ 3,472,885

City of Durango, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects Funds
Fiscal Year Ended December 31, 2020

	Capital Improvements Fund	Parks, Open Space and Trails Fund	Total Nonmajor Capital Projects Funds
Revenues			
Sales taxes	\$ 2,057,577	\$ 2,057,577	\$ 4,115,154
Use taxes	132,023	132,023	264,046
Investment earnings	6,973	17,646	24,619
Total Revenues	<u>2,196,573</u>	<u>2,207,246</u>	<u>4,403,819</u>
Expenditures			
Capital outlay	-	1,149,147	1,149,147
Total Expenditures	<u>-</u>	<u>1,149,147</u>	<u>1,149,147</u>
Excess (deficiency) of revenues over expenditures	<u>2,196,573</u>	<u>1,058,099</u>	<u>3,254,672</u>
Other Financing Sources (Uses)			
Transfers in	-	293,041	293,041
Transfers out	(2,197,018)	(408,341)	(2,605,359)
Total Other Financing Sources (Uses)	<u>(2,197,018)</u>	<u>(115,300)</u>	<u>(2,312,318)</u>
Net Changes in Fund Balance	(445)	942,799	942,354
Fund Balances - Beginning of Year	<u>728</u>	<u>2,261,412</u>	<u>2,262,140</u>
Fund Balances - End of Year	<u><u>\$ 283</u></u>	<u><u>\$ 3,204,211</u></u>	<u><u>\$ 3,204,494</u></u>

City of Durango, Colorado
Capital Projects Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 310,812	\$ 7,046,300
Receivables:		
Accounts receivable	510,000	-
Intergovernmental receivables	849,407	738,695
Interest	268,433	-
Total Assets	<u>\$ 1,938,652</u>	<u>\$ 7,784,995</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 249,670	\$ 900,438
Total Liabilities	<u>249,670</u>	<u>900,438</u>
Deferred Inflows of Resources		
Long term notes receivable	778,433	-
Total Deferred Inflows of Resources	<u>778,433</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,028,103</u>	<u>900,438</u>
Fund Balances		
Committed	910,549	6,884,557
Total Fund Balances	<u>910,549</u>	<u>6,884,557</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,938,652</u>	<u>\$ 7,784,995</u>

City of Durango, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Intergovernmental	\$ 1,632,472	\$ 1,632,472	\$ 1,659,348	\$ 26,876	\$ 748,695
Investment earnings	150,000	150,000	66,604	(83,396)	171,051
Miscellaneous	-	-	-	-	69,088
Total Revenues	<u>1,782,472</u>	<u>1,782,472</u>	<u>1,725,952</u>	<u>(56,520)</u>	<u>988,834</u>
Expenditures					
General government	150,000	151,889	68,980	82,909	93,607
Public works	4,543,991	4,842,102	3,262,320	1,579,782	315,620
Parks and recreation	6,417,655	7,127,655	7,868,653	(740,998)	6,133,315
Total Expenditures	<u>11,111,646</u>	<u>12,121,646</u>	<u>11,199,953</u>	<u>921,693</u>	<u>6,542,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,329,174)</u>	<u>(10,339,174)</u>	<u>(9,474,001)</u>	<u>865,173</u>	<u>(5,553,708)</u>
Other Financing Sources (Uses)					
Transfers in	12,258,554	13,268,554	3,499,993	(9,768,561)	4,649,400
Total Other Financing Sources (Uses)	<u>12,258,554</u>	<u>13,268,554</u>	<u>3,499,993</u>	<u>(9,768,561)</u>	<u>4,649,400</u>
Net Change in Fund Balances	<u>\$ 2,929,380</u>	<u>\$ 2,929,380</u>	<u>(5,974,008)</u>	<u>\$ (8,903,388)</u>	<u>(904,308)</u>
Fund Balances Beginning of Year			6,884,557		7,788,865
Fund Balances End of Year			<u>\$ 910,549</u>		<u>\$ 6,884,557</u>

City of Durango, Colorado
Capital Improvements Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 521	\$ -
Sales and use tax receivable	<u>246,762</u>	<u>221,728</u>
Total Assets	<u><u>\$ 247,283</u></u>	<u><u>\$ 221,728</u></u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	<u>\$ 247,000</u>	<u>\$ 221,000</u>
Total Liabilities	<u>247,000</u>	<u>221,000</u>
Net Position		
Restricted	<u>283</u>	<u>728</u>
Total Net Position	<u>283</u>	<u>728</u>
Total Liabilities and Fund Balances	<u><u>\$ 247,283</u></u>	<u><u>\$ 221,728</u></u>

City of Durango, Colorado
Capital Improvements Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Sales taxes	\$ 2,113,708	\$ 2,113,708	\$ 2,057,577	\$ (56,131)	\$ 2,046,925
Use taxes	162,678	162,678	132,023	(30,655)	126,098
Investment earnings	22,000	22,000	6,973	(15,027)	24,490
Total Revenues	<u>2,298,386</u>	<u>2,298,386</u>	<u>2,196,573</u>	<u>(101,813)</u>	<u>2,197,513</u>
Other Financing Sources (Uses)					
Transfers in	250,000	250,000	-	(250,000)	225,000
Transfers out	<u>(2,433,467)</u>	<u>(2,433,467)</u>	<u>(2,197,018)</u>	<u>236,449</u>	<u>(2,427,004)</u>
Total Other Financing Sources (Uses)	<u>(2,183,467)</u>	<u>(2,183,467)</u>	<u>(2,197,018)</u>	<u>(13,551)</u>	<u>(2,202,004)</u>
Net Change in Fund Balances	<u>\$ 114,919</u>	<u>\$ 114,919</u>	<u>(445)</u>	<u>\$ (115,364)</u>	<u>(4,491)</u>
Fund Balances Beginning of Year			728		5,219
Fund Balances End of Year			<u>\$ 283</u>		<u>\$ 728</u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Comparative Balance Sheet
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Equity in treasurer's cash and investments	\$ 2,978,840	\$ 2,210,009
Sales and use tax receivable	<u>246,762</u>	<u>223,231</u>
Total Assets	<u><u>\$ 3,225,602</u></u>	<u><u>\$ 2,433,240</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 21,391	\$ 171,828
Total Liabilities	<u>21,391</u>	<u>171,828</u>
Net Position		
Restricted	<u>3,204,211</u>	<u>2,261,412</u>
Total Net Position	<u>3,204,211</u>	<u>2,261,412</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,225,602</u></u>	<u><u>\$ 2,433,240</u></u>

City of Durango, Colorado
Parks, Open Space and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Sales taxes	\$ 2,113,708	\$ 2,113,708	\$ 2,057,577	\$ (56,131)	\$ 2,046,925
Use taxes	162,678	162,678	132,023	(30,655)	126,099
Investment earnings	35,000	35,000	17,646	(17,354)	49,786
Total Revenues	<u>2,311,386</u>	<u>2,311,386</u>	<u>2,207,246</u>	<u>(104,140)</u>	<u>2,222,810</u>
Expenditures					
Parks and recreation	-	-	-	-	171,975
Capital Outlay	1,925,000	2,218,041	1,149,147	1,068,894	1,580,165
Total Expenditures	<u>1,925,000</u>	<u>2,218,041</u>	<u>1,149,147</u>	<u>1,068,894</u>	<u>1,752,140</u>
Excess (deficiency) of revenues over expenditures	<u>386,386</u>	<u>93,345</u>	<u>1,058,099</u>	<u>964,754</u>	<u>470,670</u>
Other Financing Sources (Uses)					
Transfers in	-	293,041	293,041	-	-
Transfers out	(408,341)	(408,341)	(408,341)	-	(406,740)
Total Other Financing Sources (Uses)	<u>(408,341)</u>	<u>(115,300)</u>	<u>(115,300)</u>	<u>-</u>	<u>(406,740)</u>
Net Change in Fund Balances	<u>\$ (21,955)</u>	<u>\$ (21,955)</u>	<u>942,799</u>	<u>\$ 964,754</u>	<u>63,930</u>
Fund Balances Beginning of Year			<u>2,261,412</u>		<u>2,197,482</u>
Fund Balances End of Year			<u>\$ 3,204,211</u>		<u>\$ 2,261,412</u>

NONMAJOR ENTERPRISE FUNDS

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

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

City of Durango, Colorado
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2020

	Sustainable Services Fund	Transportation Services Fund	Total
Assets			
Current Assets			
Equity in treasurer's cash and investments	\$ 1,587,895	\$ 2,028,854	\$ 3,616,749
Receivables			
Accounts	345,108	5,076	350,184
Intergovernmental	10,616	415,206	425,822
Total Current Assets	<u>1,943,619</u>	<u>2,449,136</u>	<u>4,392,755</u>
Noncurrent Assets			
Capital Assets			
Land	89,622	3,886,835	3,976,457
Depreciable capital assets, net	1,969,364	5,855,876	7,825,240
Total Noncurrent Assets	<u>2,058,986</u>	<u>9,742,711</u>	<u>11,801,697</u>
Total Assets	<u>4,002,605</u>	<u>12,191,847</u>	<u>16,194,452</u>
Liabilities			
Current Liabilities			
Accounts payable	40,475	155,865	196,340
Accrued wages	33,652	69,911	103,563
Compensated Absences - due in one year	38,919	43,390	82,309
Total Current Liabilities	<u>113,046</u>	<u>269,166</u>	<u>382,212</u>
Long-Term Liabilities			
Compensated absences net of current portion	38,918	43,390	82,308
Total Liabilities	<u>151,964</u>	<u>312,556</u>	<u>464,520</u>
Net Position			
Net investment in capital assets	2,058,986	9,742,711	11,801,697
Unrestricted	1,791,655	2,136,580	3,928,235
Total Net Position	<u>\$ 3,850,641</u>	<u>\$ 11,879,291</u>	<u>\$ 15,729,932</u>

City of Durango, Colorado
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Activities
For the Year Ended December 31, 2020

	Sustainable Services Fund	Transportation Services Fund	Total
Operating Revenues			
Charges for sales and services	\$ 3,061,918	\$ 1,610,993	\$ 4,672,911
Miscellaneous	89,868	122,457	212,325
Total Operating Revenues	<u>3,151,786</u>	<u>1,733,450</u>	<u>4,885,236</u>
Operating Expenses			
Administration	3,000	181,892	184,892
Parking operations	-	585,802	585,802
Collections	956,661	-	956,661
Recycling	649,278	-	649,278
Recycling center	449,853	-	449,853
Sustainability	107,202	-	107,202
Loop system	-	1,682,816	1,682,816
Multi-modal	-	42,668	42,668
Equipment maintenance	27,575	37,844	65,419
Non-departmental	201,931	322,275	524,206
Payment for services	303,315	460,531	763,846
Depreciation	177,749	351,569	529,318
Total Operating Expenses	<u>2,876,564</u>	<u>3,665,397</u>	<u>6,541,961</u>
Operating Income (Loss)	<u>275,222</u>	<u>(1,931,947)</u>	<u>(1,656,725)</u>
Non-Operating Revenues (Expenses)			
Gain (loss) on the sale of capital assets	5,500	-	5,500
Intergovernmental grants	10,616	1,584,302	1,594,918
Investment earnings	10,073	15,529	25,602
Total Non-Operating Revenues (Expenses)	<u>26,189</u>	<u>1,599,831</u>	<u>1,626,020</u>
Transfers in	-	87,500	87,500
Change in Net Position	301,411	(244,616)	56,795
Net Position Beginning of Year	<u>3,549,230</u>	<u>12,123,907</u>	<u>15,673,137</u>
Net Position End of Year	<u><u>\$ 3,850,641</u></u>	<u><u>\$ 11,879,291</u></u>	<u><u>\$ 15,729,932</u></u>

City of Durango, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Sustainable Services Fund	Transportation Services Fund	Total
<u>Cash flows from operating activities</u>			
Receipts from customers and users	\$ 3,080,618	\$ 1,712,945	\$ 4,793,563
Other receipts	89,868	122,457	212,325
Payments to suppliers and employees	(2,718,041)	(3,233,026)	(5,951,067)
Net cash provided (used for) by operating activities	<u>452,445</u>	<u>(1,397,624)</u>	<u>(945,179)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Intergovernmental grants	10,616	-	10,616
Transfers from other funds	-	87,500	87,500
Net cash provided by noncapital financing activities	<u>10,616</u>	<u>87,500</u>	<u>98,116</u>
<u>Cash flows from capital and related financing activities</u>			
Sale of capital assets	5,500	-	5,500
Intergovernmental capital grants	-	1,389,783	1,389,783
Purchase of fixed assets	-	(589,748)	(589,748)
Net cash provided by capital and related financing	<u>5,500</u>	<u>800,035</u>	<u>805,535</u>
<u>Cash flows from investing activities</u>			
Interest earned	10,073	15,529	25,602
Net cash provided by investing activities	<u>10,073</u>	<u>15,529</u>	<u>25,602</u>
Net change in cash and equivalents	478,634	(494,560)	(15,926)
Cash and equivalents, beginning of year	<u>1,109,261</u>	<u>2,523,414</u>	<u>3,632,675</u>
Cash and equivalents, end of year	<u>\$ 1,587,895</u>	<u>\$ 2,028,854</u>	<u>\$ 3,616,749</u>
Operating income (loss)	\$ 275,222	\$ (1,931,947)	\$ (1,656,725)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	177,749	351,569	529,318
Decrease (increase) in accounts receivable	18,700	101,952	120,652
Decrease (increase) in accounts payable	(46,650)	69,352	22,702
Decrease (increase) in accrued liabilities	5,049	8,906	13,955
Decrease (increase) in compensated absences	22,375	2,544	24,919
Total adjustments	<u>177,223</u>	<u>534,323</u>	<u>711,546</u>
Net cash provided by (used for) operating activities	<u>\$ 452,445</u>	<u>\$ (1,397,624)</u>	<u>\$ (945,179)</u>

City of Durango, Colorado
Sustainable Services Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Equity in treasurer's cash and investments	\$ 1,587,895	\$ 1,109,261
Receivables		
Accounts	345,108	374,424
Intergovernmental	10,616	-
Total Current Assets	<u>1,943,619</u>	<u>1,483,685</u>
Noncurrent Assets		
Capital Assets		
Land	89,622	89,622
Depreciable capital assets, net	1,969,364	2,147,113
Total Noncurrent Assets	<u>2,058,986</u>	<u>2,236,735</u>
Total Assets	<u>4,002,605</u>	<u>3,720,420</u>
Liabilities		
Current Liabilities		
Accounts payable	40,475	87,125
Accrued wages	33,652	28,603
Compensated Absences - due in one year	38,919	27,731
Total Current Liabilities	<u>113,046</u>	<u>143,459</u>
Long Term Liabilities		
Compensated absences net of current portion	38,918	27,731
Total Liabilities	<u>151,964</u>	<u>171,190</u>
Net Position		
Net investment in capital assets	2,058,986	2,236,735
Unrestricted	1,791,655	1,312,495
Total Net Position	<u>\$ 3,850,641</u>	<u>\$ 3,549,230</u>

City of Durango, Colorado
Sustainable Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for sales and services	\$ 3,061,918	\$ 2,916,117
Miscellaneous	89,868	115,135
Total Operating Revenues	<u>3,151,786</u>	<u>3,031,252</u>
Operating Expenses		
Administration	3,000	-
Collections	956,661	972,634
Recycling	649,278	661,257
Recycling center	449,853	358,375
Sustainability	107,202	136,680
Equipment maintenance	27,575	-
Non-departmental	201,931	273,783
Payment for services	303,315	305,813
Depreciation	177,749	148,066
Total Operating Expenses	<u>2,876,564</u>	<u>2,856,608</u>
Operating Income	<u>275,222</u>	<u>174,644</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	5,500	-
Intergovernmental grants	10,616	19,294
Investment earnings	10,073	18,658
Total Non-Operating Revenues (Expenses)	<u>26,189</u>	<u>37,952</u>
Change in Net Position	301,411	212,596
Net Position Beginning of Year	<u>3,549,230</u>	<u>3,336,634</u>
Net Position End of Year	<u><u>\$ 3,850,641</u></u>	<u><u>\$ 3,549,230</u></u>

City of Durango, Colorado
Sustainable Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 2,825,000	\$ 2,875,000	\$ 3,061,918	\$ 186,918
Services provided	50,000	50,000	-	(50,000)
Miscellaneous	90,000	90,000	89,868	(132)
Gain (loss) on the sale of capital assets	-	-	5,500	5,500
Intergovernmental grants	-	-	10,616	10,616
Investment earnings	15,000	15,000	10,073	(4,927)
Total Revenues	<u>2,980,000</u>	<u>3,030,000</u>	<u>3,177,975</u>	<u>147,975</u>
Expenditures				
Administration	3,000	3,000	3,000	-
Collections	1,015,087	1,015,087	956,661	58,426
Recycling	714,857	714,857	649,278	65,579
Recycling center	488,880	488,880	449,853	39,027
Sustainability	124,463	124,463	107,202	17,261
Equipment maintenance	-	-	27,575	(27,575)
Non-departmental	192,391	492,391	201,931	290,460
Payment for services	303,313	303,313	303,315	(2)
Total Expenditures	<u>2,841,991</u>	<u>3,141,991</u>	<u>2,698,815</u>	<u>443,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 138,009</u>	<u>\$ (111,991)</u>	479,160	<u>\$ 591,151</u>
Reconciliation to GAAP Net Income:				
Subtract depreciation expense			<u>(177,749)</u>	
Net Income (Loss)			<u>\$ 301,411</u>	

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Equity in treasurer's cash and investments	\$ 2,028,854	\$ 2,523,414
Receivables		
Accounts	5,076	107,028
Intergovernmental	415,206	220,687
Total Current Assets	2,449,136	2,851,129
Noncurrent Assets		
Capital Assets		
Land	3,886,835	3,886,835
Depreciable capital assets, net	5,855,876	5,617,697
Total Noncurrent Assets	9,742,711	9,504,532
Total Assets	12,191,847	12,355,661
Liabilities		
Current Liabilities		
Accounts payable	155,865	86,513
Accrued wages	69,911	61,005
Compensated Absences - due in one year	43,390	42,118
Total Current Liabilities	269,166	189,636
Long Term Liabilities		
Compensated absences net of current portion	43,390	42,118
Total Liabilities	312,556	231,754
Net Position		
Net investment in capital assets	9,742,711	9,504,532
Unrestricted	2,136,580	2,619,375
Total Net Position	\$ 11,879,291	\$ 12,123,907

City of Durango, Colorado
Transportation Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for sales and services	\$ 1,610,993	\$ 2,275,070
Miscellaneous	<u>122,457</u>	<u>13,348</u>
Total Operating Revenues	<u>1,733,450</u>	<u>2,288,418</u>
Operating Expenses		
Administration	181,892	127,879
Parking operations	585,802	646,280
Loop system	1,682,816	1,659,661
Multi-modal	42,668	48,608
Equipment maintenance	37,844	-
Non-departmental	322,275	276,308
Payment for services	460,531	463,029
Depreciation	<u>351,569</u>	<u>384,526</u>
Total Operating Expenses	<u>3,665,397</u>	<u>3,606,291</u>
Operating Income	<u>(1,931,947)</u>	<u>(1,317,873)</u>
Non-Operating Revenues (Expenses)		
Intergovernmental grants	1,584,302	811,056
Investment earnings	<u>15,529</u>	<u>49,750</u>
Total Non-Operating Revenues (Expenses)	<u>1,599,831</u>	<u>860,806</u>
Income Before Capital Contributions and Transfers	<u>(332,116)</u>	<u>(457,067)</u>
Transfers in	<u>87,500</u>	<u>350,000</u>
Change in Net Position	<u>(244,616)</u>	<u>(107,067)</u>
Net Position Beginning of Year	<u>12,123,907</u>	<u>12,230,974</u>
Net Position End of Year	<u><u>\$ 11,879,291</u></u>	<u><u>\$ 12,123,907</u></u>

City of Durango, Colorado
Transportation Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 2,076,570	\$ 2,076,570	\$ 1,610,993	\$ (465,577)
Services provided	150,000	150,000	-	(150,000)
Miscellaneous	9,350	9,350	122,457	113,107
Intergovernmental grants	778,379	1,556,727	1,584,302	27,575
Investment earnings	42,000	42,000	15,529	(26,471)
Transfers in	350,000	350,000	87,500	(262,500)
Total Revenues	<u>3,406,299</u>	<u>4,184,647</u>	<u>3,420,781</u>	<u>(763,866)</u>
Expenditures				
Administration	203,437	203,437	181,892	21,545
Parking operations	750,633	750,633	585,802	164,831
Loop system	2,035,238	2,445,928	1,682,816	763,112
Multi-modal	123,392	123,392	42,668	80,724
Equipment maintenance	-	-	37,844	(37,844)
Non-departmental	213,870	820,648	912,023	(91,375)
Payment for services	460,529	460,529	460,531	(2)
Total Expenditures	<u>3,787,099</u>	<u>4,804,567</u>	<u>3,903,576</u>	<u>900,991</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (380,800)</u>	<u>\$ (619,920)</u>	(482,795)	<u>\$ 137,125</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			589,748	
Add Depreciation			<u>(351,569)</u>	
Net Income (Loss)			<u>\$ (244,616)</u>	

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Equity in treasurer's cash and investments	\$ 16,066,269	\$ 17,160,701
Receivables		
Accounts	727,349	810,975
Intergovernmental	-	5,059
Inventory	129,762	131,903
Total Current Assets	16,923,380	18,108,638
Noncurrent Assets		
Note receivable	107,126	122,697
Capital Assets		
Land	7,048,853	7,048,853
Construction in progress	1,174,827	2,464,035
Depreciable capital assets, net	40,849,038	34,933,944
Total Noncurrent Assets	49,179,844	44,569,529
Total Assets	66,103,224	62,678,167
Liabilities		
Current Liabilities		
Accounts payable	898,120	479,715
Accrued wages	57,335	47,743
Compensated Absences - due in one year	58,174	54,431
Loan payable	194,164	190,433
Total Current Liabilities	1,207,793	772,322
Long Term Liabilities		
Compensated absences net of current portion	58,173	54,431
Loan payable net of current portion	2,526,002	2,720,166
Total Liabilities	3,791,968	3,546,919
Net Position		
Net investment in capital assets	46,293,580	41,473,859
Unrestricted	16,017,676	17,657,389
Total Net Position	\$ 62,311,256	\$ 59,131,248

City of Durango, Colorado
Water Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for sales and services	\$ 7,269,453	\$ 6,766,656
Miscellaneous	125,045	146,479
Total Operating Revenues	<u>7,394,498</u>	<u>6,913,135</u>
Operating Expenses		
Administration	314,597	307,373
Source of supply	80,279	85,230
Pumping	107,342	131,736
Transmission and distribution	999,146	975,046
Treatment	965,368	982,187
Meter reading and repairs	93,911	96,640
Building maintenance	52,323	-
Non-departmental	311,737	682,901
Payment for services	1,001,625	711,663
Depreciation	1,506,164	1,302,829
Total Operating Expenses	<u>5,432,492</u>	<u>5,275,605</u>
Operating Income	<u>1,962,006</u>	<u>1,637,530</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	(39,815)	-
Interest expense	(55,833)	(59,493)
Intergovernmental grants	-	26,447
Investment earnings	123,956	368,850
Total Non-Operating Revenues (Expenses)	<u>28,308</u>	<u>335,804</u>
Income Before Capital Contributions and Transfers	1,990,314	1,973,334
Capital contributions	1,189,694	1,767,072
Change in Net Position	3,180,008	3,740,406
Net Position Beginning of Year	<u>59,131,248</u>	<u>55,390,842</u>
Net Position End of Year	<u><u>\$ 62,311,256</u></u>	<u><u>\$ 59,131,248</u></u>

City of Durango, Colorado
Water Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 7,137,308	\$ 7,137,308	\$ 7,269,453	\$ 132,145
Miscellaneous	180,000	180,000	125,045	(54,955)
Gain (loss) on the sale of capital assets	5,000	5,000	(39,815)	(44,815)
Investment earnings	180,000	180,000	123,956	(56,044)
Capital contributions	588,979	588,979	1,189,694	600,715
Total Revenues	<u>8,091,287</u>	<u>8,091,287</u>	<u>8,668,333</u>	<u>577,046</u>
Expenditures				
Administration	344,844	344,844	314,597	30,247
Source of supply	57,400	57,400	80,279	(22,879)
Pumping	116,800	116,800	107,342	9,458
Transmission and distribution	1,107,308	1,107,308	999,146	108,162
Treatment	1,112,909	1,112,909	965,368	147,541
Meter reading and repairs	125,720	125,720	93,911	31,809
Building maintenance	140,900	140,900	52,323	88,577
Non-departmental	13,920,818	13,920,818	6,029,759	7,891,059
Payment for services	705,163	705,163	1,001,625	(296,462)
Contingency	100,000	100,000	-	100,000
Transfers out	1,200,000	1,200,000	-	1,200,000
Total Expenditures	<u>18,931,862</u>	<u>18,931,862</u>	<u>9,644,350</u>	<u>9,287,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (10,840,575)</u>	<u>\$ (10,840,575)</u>	(976,017)	<u>\$ 9,864,558</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			5,471,755	
Remove Principal Payments			190,434	
Add Depreciation			<u>(1,506,164)</u>	
Net Income (Loss)			<u>\$ 3,180,008</u>	

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Equity in treasurer's cash and investments	\$ 2,555,084	\$ 374,472
Cash held with fiscal agent	2,329,083	5,628,187
Receivables		
Accounts	1,125,371	1,106,299
Intergovernmental	475,808	-
Inventory	16,251	3,616
Total Current Assets	<u>6,501,597</u>	<u>7,112,574</u>
Noncurrent Assets		
Note receivable	26,863	4,070,526
Capital Assets		
Land	321,309	321,309
Construction in progress	218,003	1,350,005
Depreciable capital assets, net	83,402,008	79,702,462
Total Noncurrent Assets	<u>83,968,183</u>	<u>85,444,302</u>
Total Assets	<u>90,469,780</u>	<u>92,556,876</u>
Liabilities		
Current Liabilities		
Accounts payable	528,230	1,327,996
Accrued wages	74,757	58,802
Compensated Absences - due in one year	20,355	29,217
Loan payable	2,581,327	2,536,479
Interest Payable	364,328	383,391
Total Current Liabilities	<u>3,568,997</u>	<u>4,335,885</u>
Long Term Liabilities		
Compensated absences net of current portion	20,355	29,217
Loan payable net of current portion	49,808,747	52,390,075
Total Liabilities	<u>53,398,099</u>	<u>56,755,177</u>
Net Position		
Net investment in capital assets	33,833,329	30,337,520
Unrestricted	3,238,352	5,464,179
Total Net Position	<u><u>\$ 37,071,681</u></u>	<u><u>\$ 35,801,699</u></u>

City of Durango, Colorado
Sewer Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for sales and services	\$ 7,879,657	\$ 7,876,675
Miscellaneous	205,378	-
Total Operating Revenues	<u>8,085,035</u>	<u>7,876,675</u>
Operating Expenses		
Administration	419,430	414,593
Treatment	1,615,218	1,354,707
Collections	1,007,577	937,437
Building maintenance	410	-
Non-departmental	154,056	189,860
Payment for services	792,920	799,168
Depreciation	2,694,129	818,329
Total Operating Expenses	<u>6,683,740</u>	<u>4,514,094</u>
Operating Income	<u>1,401,295</u>	<u>3,362,581</u>
Non-Operating Revenues (Expenses)		
Interest expense	(842,201)	(888,535)
Intergovernmental grants	302,961	409,281
Investment earnings	6,824	83,651
Total Non-Operating Revenues (Expenses)	<u>(532,416)</u>	<u>(395,603)</u>
Income Before Capital Contributions and Transfers	868,879	2,966,978
Capital contributions	401,103	200,281
Change in Net Position	1,269,982	3,167,259
Net Position Beginning of Year	<u>35,801,699</u>	<u>32,634,440</u>
Net Position End of Year	<u><u>\$ 37,071,681</u></u>	<u><u>\$ 35,801,699</u></u>

City of Durango, Colorado
Sewer Utility Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for sales and services	\$ 8,230,000	\$ 8,230,000	\$ 7,879,657	\$ (350,343)
Miscellaneous	5,000	5,000	205,378	200,378
Intergovernmental grants	-	-	302,961	302,961
Investment earnings	75,000	75,000	6,824	(68,176)
Capital contributions	202,000	202,000	401,103	199,103
Total Revenues	<u>8,512,000</u>	<u>8,512,000</u>	<u>8,795,923</u>	<u>283,923</u>
Expenditures				
Administration	442,281	442,281	419,430	22,851
Treatment	1,431,401	1,431,401	1,615,218	(183,817)
Collections	1,114,051	1,114,051	1,007,577	106,474
Building maintenance	-	-	410	(410)
Non-departmental	12,603,280	12,603,280	8,499,723	4,103,557
Payment for services	792,918	792,918	792,920	(2)
Transfers out	2,650,000	2,650,000	-	2,650,000
Total Expenditures	<u>19,033,931</u>	<u>19,033,931</u>	<u>12,335,278</u>	<u>6,698,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (10,521,931)</u>	<u>\$ (10,521,931)</u>	<u>(3,539,355)</u>	<u>\$ 6,982,576</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			5,025,860	
Remove Principal Payments			2,477,606	
Add Depreciation			<u>(2,694,129)</u>	
Net Income (Loss)			<u>\$ 1,269,982</u>	

INTERNAL SERVICE FUNDS

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

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

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

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

City of Durango, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	General Services Fund	Capital Equipment Reserve Fund	Self Insurance Fund	Risk Manager Fund	Total
Assets					
Current Assets					
Equity in treasurer's cash and investments	\$ 105,445	\$ 5,152,066	\$ 956,698	\$ 421,984	\$ 6,636,193
Accounts receivable	-	-	146,490	150,000	296,490
Inventory	97,759	209,693	-	-	307,452
Total Current Assets	<u>203,204</u>	<u>5,361,759</u>	<u>1,103,188</u>	<u>571,984</u>	<u>7,240,135</u>
Noncurrent Assets					
Capital Assets					
Land	67,889	-	-	-	67,889
Depreciable capital assets, net	1,121,825	5,805,359	-	-	6,927,184
Total Noncurrent Assets	<u>1,189,714</u>	<u>5,805,359</u>	<u>-</u>	<u>-</u>	<u>6,995,073</u>
Total Assets	<u>1,392,918</u>	<u>11,167,118</u>	<u>1,103,188</u>	<u>571,984</u>	<u>14,235,208</u>
Liabilities					
Current Liabilities					
Accounts payable	26,362	52,420	366,281	24,636	469,699
Accrued wages	5,281	27,325	-	3,862	36,468
Compensated Absences - due in one year	4,256	32,593	-	5,401	42,250
Total Current Liabilities	<u>35,899</u>	<u>112,338</u>	<u>366,281</u>	<u>33,899</u>	<u>548,417</u>
Long Term Liabilities					
Compensated absences net of current portion	4,255	32,594	-	5,400	42,249
Total Long Term Liabilities	<u>4,255</u>	<u>32,594</u>	<u>-</u>	<u>5,400</u>	<u>42,249</u>
Total Liabilities	<u>40,154</u>	<u>144,932</u>	<u>366,281</u>	<u>39,299</u>	<u>590,666</u>
Net Position					
Net investment in capital assets	1,189,714	5,805,359	-	-	6,995,073
Unrestricted	163,050	5,216,827	736,907	532,685	6,649,469
Total Net Position	<u>\$ 1,352,764</u>	<u>\$ 11,022,186</u>	<u>\$ 736,907</u>	<u>\$ 532,685</u>	<u>\$ 13,644,542</u>

City of Durango, Colorado
Combining Statement of Revenues
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2020

	General Services Fund	Capital Equipment Reserve Fund	Self Insurance Fund	Risk Manager Fund	Total
Operating Revenues					
Charges for sales and services	\$ 20,724	\$ 3,295,658	\$ 559,970	\$ -	\$ 3,876,352
Services provided	50,002	-	5,707,157	1,354,839	7,111,998
Miscellaneous	-	328,717	45,106	-	373,823
Total Operating Revenues	<u>70,726</u>	<u>3,624,375</u>	<u>6,312,233</u>	<u>1,354,839</u>	<u>11,362,173</u>
Operating Expenses					
Administration	113,483	-	9,603	118,461	241,547
Building maintenance	85,319	-	-	-	85,319
Equipment maintenance	-	1,172,595	-	-	1,172,595
Insurance claims and premiums	-	-	-	1,056,443	1,056,443
Medical claims and premiums	-	-	5,864,838	-	5,864,838
Depreciation	38,297	1,350,940	-	-	1,389,237
Total Operating Expenses	<u>237,099</u>	<u>2,523,535</u>	<u>5,874,441</u>	<u>1,174,904</u>	<u>9,809,979</u>
Operating Income (Loss)	<u>(166,373)</u>	<u>1,100,840</u>	<u>437,792</u>	<u>179,935</u>	<u>1,552,194</u>
Non-Operating Revenues (Expenses)					
Gain (loss) on the sale of capital assets	-	250,532	-	-	250,532
Investment earnings	1,259	25,565	2,187	1,093	30,104
Total Non-Operating Revenues (Expenses)	<u>1,259</u>	<u>276,097</u>	<u>2,187</u>	<u>1,093</u>	<u>280,636</u>
Change in Net Position	<u>(165,114)</u>	<u>1,376,937</u>	<u>439,979</u>	<u>181,028</u>	<u>1,832,830</u>
Net Position Beginning of Year	<u>1,517,878</u>	<u>9,645,249</u>	<u>296,928</u>	<u>351,657</u>	<u>11,811,712</u>
Net Position End of Year	<u>\$ 1,352,764</u>	<u>\$ 11,022,186</u>	<u>\$ 736,907</u>	<u>\$ 532,685</u>	<u>\$ 13,644,542</u>

City of Durango, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020

	General Services	Capital Equipment Reserve	Self Insurance	Risk Manager	Total
<u>Cash flows from operating activities</u>					
Receipts from customers and users	\$ 65,256	\$ 3,291,149	\$ 6,401,358	\$ 1,235,983	\$ 10,993,746
Other receipts	-	303,964	45,106	-	349,070
Payments to suppliers and employees	(224,589)	(1,165,343)	(5,888,066)	(1,166,351)	(8,444,349)
Net cash provided by (used for) operating activities	(159,333)	2,429,770	558,398	69,632	2,898,467
<u>Cash flows from capital and related financing activities</u>					
Sale of capital assets	-	447,592	-	-	447,592
Purchase of fixed assets	-	(2,136,146)	-	-	(2,136,146)
Net cash used for capital and related financing	-	(1,688,554)	-	-	(1,688,554)
<u>Cash flows from investing activities</u>					
Interest earned	1,259	25,565	2,187	1,093	30,104
Net cash provided by investing activities	1,259	25,565	2,187	1,093	30,104
Net change in cash and equivalents	(158,074)	766,781	560,585	70,725	1,240,017
Cash and equivalents, beginning of year	263,519	4,385,285	396,113	351,259	5,396,176
Cash and equivalents, end of year	\$ 105,445	\$ 5,152,066	\$ 956,698	\$ 421,984	\$ 6,636,193
Operating income (loss)	\$ (166,373)	\$ 1,100,840	\$ 437,792	\$ 179,935	\$ 1,552,194
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	38,297	1,350,940	-	-	1,389,237
Gain on sale of assets	-	(24,753)	-	-	(24,753)
Decrease (increase) in accounts receivable	-	-	134,231	(118,856)	15,375
Decrease (increase) in inventory	(5,470)	(4,509)	-	-	(9,979)
Decrease (increase) in accounts payable	(20,522)	3,681	(13,625)	4,841	(25,625)
Decrease (increase) in accrued liabilities	636	5,792	-	569	6,997
Decrease (increase) in compensated absences	(5,901)	(2,221)	-	3,143	(4,979)
Total adjustments	7,040	1,328,930	120,606	(110,303)	1,346,273
Net cash provided by (used for) operating activities	\$ (159,333)	\$ 2,429,770	\$ 558,398	\$ 69,632	\$ 2,898,467

City of Durango, Colorado
General Services Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 105,445	\$ 263,519
Inventory	97,759	92,289
Total Current Assets	<u>203,204</u>	<u>355,808</u>
Noncurrent Assets		
Capital Assets		
Land	67,889	67,889
Depreciable capital assets, net	1,121,825	1,160,122
Total Noncurrent Assets	<u>1,189,714</u>	<u>1,228,011</u>
Total Assets	<u>1,392,918</u>	<u>1,583,819</u>
Liabilities		
Current Liabilities:		
Accounts payable	26,362	46,884
Accrued wages	5,281	4,645
Compensated Absences - due in one year	4,256	7,206
Total Current Liabilities	<u>35,899</u>	<u>58,735</u>
Long Term Liabilities		
Compensated absences net of current portion	4,255	7,206
Total Liabilities	<u>40,154</u>	<u>65,941</u>
Net Position		
Net investment in capital assets	1,189,714	1,228,011
Unrestricted	163,050	289,867
Total Net Position	<u>\$ 1,352,764</u>	<u>\$ 1,517,878</u>

City of Durango, Colorado
General Services Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for sales and services	\$ 20,724	\$ 11,944
Services provided	50,002	75,000
Total Operating Revenues	<u>70,726</u>	<u>86,944</u>
Operating Expenses		
Administration	113,483	146,582
Building maintenance	85,319	85,377
Depreciation	38,297	38,808
Total Operating Expenses	<u>237,099</u>	<u>270,767</u>
Operating Income (Loss)	<u>(166,373)</u>	<u>(183,823)</u>
Non-Operating Revenues (Expenses)		
Investment earnings	1,259	6,534
Total Non-Operating Revenues (Expenses)	<u>1,259</u>	<u>6,534</u>
Change in Net Position	(165,114)	(177,289)
Net Position Beginning of Year	<u>1,517,878</u>	<u>1,695,167</u>
Net Position End of Year	<u><u>\$ 1,352,764</u></u>	<u><u>\$ 1,517,878</u></u>

City of Durango, Colorado
General Services Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 1,500	\$ 1,500	\$ 20,724	\$ 19,224
Services provided	50,000	50,000	50,002	2
Investment earnings	7,000	7,000	1,259	(5,741)
Total Revenues	<u>58,500</u>	<u>58,500</u>	<u>71,985</u>	<u>13,485</u>
Expenditures				
Administration	151,378	151,378	113,483	37,895
Building maintenance	90,916	90,916	85,319	5,597
Total Expenditures	<u>242,294</u>	<u>242,294</u>	<u>198,802</u>	<u>43,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (183,794)</u>	<u>\$ (183,794)</u>	(126,817)	<u>\$ 56,977</u>
Reconciliation to GAAP Net Income:				
Subtract depreciation expense			<u>(38,297)</u>	
Net Income (Loss)			<u>\$ (165,114)</u>	

City of Durango, Colorado
Capital Equipment Reserve Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Equity in treasurer's cash and investments	\$ 5,152,066	\$ 4,385,285
Inventory	209,693	205,184
Total Current Assets	<u>5,361,759</u>	<u>4,590,469</u>
Noncurrent Assets		
Capital Assets		
Construction in progress	-	603,775
Depreciable capital assets, net	5,805,359	4,588,685
Total Noncurrent Assets	<u>5,805,359</u>	<u>5,192,460</u>
Total Assets	<u>11,167,118</u>	<u>9,782,929</u>
Liabilities		
Current Liabilities		
Accounts payable	52,420	48,739
Accrued wages	27,325	21,533
Compensated Absences - due in one year	32,593	33,704
Total Current Liabilities	<u>112,338</u>	<u>103,976</u>
Long Term Liabilities		
Compensated absences net of current portion	32,594	33,704
Total Liabilities	<u>144,932</u>	<u>137,680</u>
Net Position		
Net investment in capital assets	5,805,359	5,192,460
Unrestricted	5,216,827	4,452,789
Total Net Position	<u>\$ 11,022,186</u>	<u>\$ 9,645,249</u>

City of Durango, Colorado
Capital Equipment Reserve Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for sales and services	\$ 3,295,658	\$ 3,053,426
Miscellaneous	328,717	232
Total Operating Revenues	<u>3,624,375</u>	<u>3,053,658</u>
Operating Expenses		
Equipment maintenance	1,172,595	1,448,833
Depreciation	1,350,940	1,350,981
Total Operating Expenses	<u>2,523,535</u>	<u>2,799,814</u>
Operating Income (Loss)	<u>1,100,840</u>	<u>253,844</u>
Non-Operating Revenues (Expenses)		
Gain (loss) on the sale of capital assets	250,532	43,783
Investment earnings	25,565	102,470
Total Non-Operating Revenues (Expenses)	<u>276,097</u>	<u>146,253</u>
Income (Loss) Before Contributions and Transfers	1,376,937	400,097
Capital contributions	-	25,533
Change in Net Position	1,376,937	425,630
Net Position Beginning of Year	<u>9,645,249</u>	<u>9,219,619</u>
Net Position End of Year	<u><u>\$ 11,022,186</u></u>	<u><u>\$ 9,645,249</u></u>

City of Durango, Colorado
Capital Equipment Reserve Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Charges for sales and services	\$ 3,295,663	\$ 3,295,663	\$ 3,295,658	\$ (5)
Miscellaneous	3,500	3,500	328,717	325,217
Gain (loss) on the sale of capital assets	100,000	100,000	250,532	150,532
Investment earnings	85,000	85,000	25,565	(59,435)
Total Revenues	<u>3,484,163</u>	<u>3,484,163</u>	<u>3,900,472</u>	<u>416,309</u>
Expenditures				
Equipment maintenance	<u>2,942,073</u>	<u>2,942,073</u>	<u>2,310,846</u>	<u>631,227</u>
Total Expenditures	<u>2,942,073</u>	<u>2,942,073</u>	<u>2,310,846</u>	<u>631,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 542,090</u>	<u>\$ 542,090</u>	1,589,626	<u>\$ 1,047,536</u>
Reconciliation to GAAP Net Income:				
Remove Capital Outlay			1,138,251	
Add Depreciation			<u>(1,350,940)</u>	
Net Income (Loss)			<u>\$ 1,376,937</u>	

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Equity in treasurer's cash and investments	\$ 956,698	\$ 396,113
Accounts receivable	146,490	280,721
Total Assets	<u>1,103,188</u>	<u>676,834</u>
Liabilities		
Current Liabilities		
Accounts payable	366,281	379,906
Total Liabilities	<u>366,281</u>	<u>379,906</u>
Net Position		
Unrestricted	<u>736,907</u>	<u>296,928</u>
Total Net Position	<u><u>\$ 736,907</u></u>	<u><u>\$ 296,928</u></u>

City of Durango, Colorado
Self Insurance Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Charges for sales and services	\$ 559,970	\$ 6,330,536
Services provided	5,707,157	-
Miscellaneous	<u>45,106</u>	<u>67,021</u>
Total Operating Revenues	<u>6,312,233</u>	<u>6,397,557</u>
Operating Expenses		
Administration	9,603	19,794
Medical claims and premiums	<u>5,864,838</u>	<u>5,561,072</u>
Total Operating Expenses	<u>5,874,441</u>	<u>5,580,866</u>
Operating Income (Loss)	<u>437,792</u>	<u>816,691</u>
Non-Operating Revenues (Expenses)		
Investment earnings	<u>2,187</u>	<u>10,726</u>
Total Non-Operating Revenues (Expenses)	<u>2,187</u>	<u>10,726</u>
Change in Net Position	439,979	827,417
Net Position Beginning of Year	<u>296,928</u>	<u>(530,489)</u>
Net Position End of Year	<u><u>\$ 736,907</u></u>	<u><u>\$ 296,928</u></u>

City of Durango, Colorado
Self Insurance Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for sales and services	\$ 575,000	\$ 575,000	\$ 559,970	\$ (15,030)
Services provided	6,389,667	6,389,667	5,707,157	(682,510)
Miscellaneous	75,000	75,000	45,106	(29,894)
Investment earnings	12,000	12,000	2,187	(9,813)
Total Revenues	<u>7,051,667</u>	<u>7,051,667</u>	<u>6,314,420</u>	<u>(737,247)</u>
Expenditures				
Administration	25,000	25,000	9,603	15,397
Medical claims and premiums	6,748,467	6,748,467	5,864,838	883,629
Total Expenditures	<u>6,773,467</u>	<u>6,773,467</u>	<u>5,874,441</u>	<u>899,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 278,200</u>	<u>\$ 278,200</u>	439,979	<u>\$ 161,779</u>
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ 439,979</u>	

City of Durango, Colorado
Risk Manager Fund
Comparative Statement of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Equity in treasurer's cash and investments	\$ 421,984	\$ 351,259
Accounts receivable	150,000	31,144
Total Current Assets	<u>571,984</u>	<u>382,403</u>
Total Assets	<u>571,984</u>	<u>382,403</u>
Liabilities		
Current Liabilities		
Accounts payable	24,636	19,795
Accrued wages	3,862	3,293
Compensated Absences - due in one year	5,401	3,829
Total Current Liabilities	<u>33,899</u>	<u>26,917</u>
Long Term Liabilities		
Compensated absences net of current portion	5,400	3,829
Total Liabilities	<u>39,299</u>	<u>30,746</u>
Net Position		
Unrestricted	532,685	351,657
Total Net Position	<u><u>\$ 532,685</u></u>	<u><u>\$ 351,657</u></u>

City of Durango, Colorado
Risk Manager Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Services provided	\$ 1,354,839	\$ 1,188,937
Total Operating Revenues	<u>1,354,839</u>	<u>1,188,937</u>
Operating Expenses		
Administration	118,461	124,839
Insurance claims and premiums	<u>1,056,443</u>	<u>1,019,707</u>
Total Operating Expenses	<u>1,174,904</u>	<u>1,144,546</u>
Operating Income (Loss)	<u>179,935</u>	<u>44,391</u>
Non-Operating Revenues (Expenses)		
Investment earnings	<u>1,093</u>	<u>7,548</u>
Total Non-Operating Revenues (Expenses)	<u>1,093</u>	<u>7,548</u>
Change in Net Position	181,028	51,939
Net Position Beginning of Year	<u>351,657</u>	<u>299,718</u>
Net Position End of Year	<u><u>\$ 532,685</u></u>	<u><u>\$ 351,657</u></u>

City of Durango, Colorado
Risk Manager Fund
Schedule of Revenues and Expenditures -
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Services provided	\$ 1,365,307	\$ 1,365,307	\$ 1,354,839	\$ (10,468)
Investment earnings	6,500	6,500	1,093	(5,407)
Total Revenues	<u>1,371,807</u>	<u>1,371,807</u>	<u>1,355,932</u>	<u>(15,875)</u>
Expenditures				
Administration	124,048	124,048	118,461	5,587
Insurance claims and premiums	<u>1,200,503</u>	<u>1,200,503</u>	<u>1,056,443</u>	<u>144,060</u>
Total Expenditures	<u>1,324,551</u>	<u>1,324,551</u>	<u>1,174,904</u>	<u>149,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 47,256</u>	<u>\$ 47,256</u>	181,028	<u>\$ 133,772</u>
Reconciliation to GAAP Net Income:				
Net Income (Loss)			<u>\$ 181,028</u>	

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 138,286,961	\$ 141,561,808	\$ 143,944,307	\$ 149,052,567	\$ 153,845,848	\$ 160,730,499	\$ 168,087,849	\$ 171,770,608	\$ 173,568,700	\$ 181,849,022
Restricted	10,028,576	14,385,910	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592
Unrestricted	29,500,898	26,147,979	25,926,898	28,998,660	35,295,804	32,517,436	35,588,691	36,833,835	44,846,760	49,086,797
Total governmental activities net position	\$ 177,816,435	\$ 182,095,697	\$ 184,503,061	\$ 187,679,787	\$ 193,547,724	\$ 201,780,382	\$ 206,704,142	\$ 212,802,159	\$ 222,629,867	\$ 236,151,411
Business-type activities										
Net investment in capital assets	\$ 57,919,227	\$ 56,674,450	\$ 62,578,879	\$ 58,365,508	\$ 60,179,815	\$ 65,312,858	\$ 72,528,998	\$ 79,246,150	\$ 83,552,646	\$ 91,928,606
Unrestricted	14,988,073	15,225,300	9,429,992	14,668,271	17,283,617	21,401,015	23,650,170	25,507,735	27,053,438	23,390,275
Total business-type activities	\$ 72,907,300	\$ 71,899,750	\$ 72,008,871	\$ 73,033,779	\$ 77,463,432	\$ 86,713,873	\$ 96,179,168	\$ 104,753,885	\$ 110,606,084	\$ 115,318,881
Primary Government										
Net investment in capital assets	\$ 196,206,188	\$ 198,236,258	\$ 206,523,186	\$ 207,418,075	\$ 214,025,663	\$ 226,043,357	\$ 240,616,847	\$ 251,016,758	\$ 257,121,346	\$ 273,777,628
Restricted	10,028,576	14,385,910	14,631,856	9,628,560	4,406,072	8,532,447	3,027,602	4,197,716	4,214,407	5,215,592
Unrestricted	44,488,971	41,373,279	35,356,890	43,666,931	52,579,421	53,918,451	59,238,861	62,341,570	71,900,198	72,477,072
Total primary government net position	\$ 250,723,735	\$ 253,995,447	\$ 256,511,932	\$ 260,713,566	\$ 271,011,156	\$ 288,494,255	\$ 302,883,310	\$ 317,556,044	\$ 333,235,951	\$ 351,470,292

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government										
Public safety	\$ 6,147,910	\$ 6,566,189	\$ 7,894,128	\$ 8,821,889	\$ 9,259,225	\$ 9,568,011	\$ 8,855,109	\$ 9,889,447	\$ 10,838,196	\$ 9,981,486
Public works	10,026,418	10,486,094	10,709,354	10,867,750	11,859,989	12,242,685	12,335,341	14,551,095	14,679,218	16,496,684
Parks and recreation	5,596,258	5,047,880	5,064,353	7,740,688	9,893,562	7,543,224	4,748,322	8,258,321	9,390,279	7,578,880
Library	6,870,057	8,422,273	8,350,689	5,625,209	6,088,070	7,886,241	13,907,700	10,306,478	10,158,829	8,383,958
Community services	2,142,218	2,248,888	2,290,097	2,424,281	2,408,555	2,123,310	2,198,153	2,275,892	2,785,741	2,617,126
Economic development	920,199	1,402,040	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020	2,162,734
Joint venture- airport	602,258	597,252	633,280	777,227	758,775	806,000	706,821	724,246	862,114	794,934
Interest	-	-	335,969	-	-	-	300,236	-	-	1,775,445
Total governmental activities expenses	\$ 1,505,308	\$ 1,431,999	\$ 1,354,291	\$ 1,275,537	\$ 1,236,752	\$ 1,136,023	\$ 794,394	\$ 666,491	\$ 570,216	\$ 446,713
Total governmental activities expenses	\$ 33,810,625	\$ 36,202,615	\$ 37,508,308	\$ 39,153,979	\$ 42,681,965	\$ 42,737,654	\$ 45,169,181	\$ 47,840,177	\$ 50,586,613	\$ 50,237,960
Business-type activities:										
Water utility	3,546,873	3,962,288	3,992,105	5,048,918	4,697,072	4,949,709	5,539,135	4,742,452	5,335,098	5,492,253
Sewer utility	2,804,795	2,816,834	3,210,315	3,687,699	3,691,696	3,662,081	5,207,201	5,107,230	5,402,629	7,584,020
Parking	612,136	622,324	999,530	-	-	-	-	-	-	152,132
Sustainable services	1,783,260	2,251,174	2,189,067	2,097,284	2,146,425	2,397,968	2,566,943	2,838,228	2,856,608	2,709,293
Transportation Services	2,293,441	2,472,008	2,498,054	3,422,104	3,556,523	3,771,789	3,769,823	3,359,309	3,606,291	3,356,843
Total business-type expenses	\$ 11,040,505	\$ 12,124,628	\$ 12,889,071	\$ 14,256,005	\$ 14,091,716	\$ 14,781,547	\$ 17,083,102	\$ 16,047,219	\$ 17,200,626	\$ 19,294,541
Total primary government expenses	\$ 44,851,130	\$ 48,327,243	\$ 50,397,379	\$ 53,409,984	\$ 56,773,681	\$ 57,519,201	\$ 62,252,283	\$ 63,887,396	\$ 67,787,239	\$ 69,532,501
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,731,124	\$ 2,485,211	\$ 1,946,179	\$ 1,945,001	\$ 2,671,977	\$ 1,774,979	\$ 1,711,347	\$ 3,228,028	\$ 4,646,606	\$ 5,054,779
Public safety	912,452	1,163,291	1,234,866	1,056,131	1,089,447	1,154,793	42,407	1,210,808	1,183,597	1,179,904
Public works	-	-	-	600	-	500	1,050	1,500	600	1,000
Parks and recreation	2,487,984	2,733,317	2,818,971	3,011,398	3,124,615	3,157,875	3,245,745	3,645,773	3,723,470	2,094,716
Library	38,292	34,431	35,236	32,870	28,206	19,558	-	25,817	23,349	2,885
Economic Development	-	-	-	-	-	-	-	-	-	7,638
Joint venture - airport	754,844	115,006	-	11,115	245,400	2,387,802	-	1,145,902	2,779,828	2,649,144
Operating grants and contributions	2,143,915	1,182,581	1,728,609	27,578	682,853	1,057,299	1,904,987	783,635	1,162,030	2,918,484
Capital grants and contributions	826,921	1,452,777	706,725	3,273,358	5,954,033	4,580,550	5,288,510	3,812,042	1,934,943	2,430,642
Total governmental activities program revenues	\$ 8,895,532	\$ 9,166,614	\$ 8,470,586	\$ 9,358,051	\$ 13,796,531	\$ 14,133,356	\$ 12,194,046	\$ 13,853,505	\$ 15,454,423	\$ 16,339,192
Business-type activities:										
Charges for services										
Water utility	3,373,959	3,693,867	3,534,133	4,757,161	5,164,166	6,088,731	6,627,997	7,736,203	6,766,656	8,067,785
Sewer utility	1,785,357	1,826,540	2,788,708	4,165,434	5,670,452	7,260,261	7,680,011	7,834,816	7,876,675	8,174,344
Parking	1,125,497	1,098,072	966,059	-	-	-	-	-	-	-
Sustainable services	1,990,924	1,848,773	1,930,001	1,957,999	2,072,075	2,261,480	2,467,388	2,714,050	2,916,117	3,061,918
Transportation Services	253,452	258,237	283,200	1,741,650	1,903,358	2,048,400	2,246,691	1,966,020	2,275,070	1,382,212
Operating grants and contributions	881,594	1,112,344	1,427,220	1,285,444	1,727,167	1,027,923	1,005,912	1,082,586	1,266,078	10,616
Capital grants and contributions	569,033	521,610	1,420,396	900,912	4,429,964	4,429,964	6,185,080	2,265,850	1,967,353	2,542,137
Total business-type activities program revenues	\$ 9,979,816	\$ 10,359,443	\$ 12,349,717	\$ 14,808,600	\$ 17,832,828	\$ 23,116,759	\$ 26,213,079	\$ 23,599,525	\$ 23,067,949	\$ 23,239,012
Total primary government program revenues	\$ 18,875,348	\$ 19,526,057	\$ 20,820,303	\$ 24,166,651	\$ 31,629,359	\$ 37,250,115	\$ 38,407,125	\$ 37,453,030	\$ 38,522,372	\$ 39,578,204

Continued

Changes in Net Position (continued)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expense) revenue										
Governmental activities	\$ (24,915,093)	\$ (27,036,001)	\$ (29,037,722)	\$ (29,795,928)	\$ (28,885,434)	\$ (28,604,298)	\$ (32,975,675)	\$ (33,986,672)	\$ (35,132,190)	\$ (33,898,768)
Business-type activities	(1,060,689)	(1,765,185)	(539,354)	552,595	3,741,112	8,335,212	9,129,977	7,552,306	5,867,323	3,944,471
Total primary governmental net expense	\$ (25,975,782)	\$ (28,801,186)	\$ (29,577,076)	\$ (29,243,333)	\$ (25,144,322)	\$ (20,269,086)	\$ (23,845,698)	\$ (26,434,366)	\$ (29,264,867)	\$ (29,954,297)

General Revenues and Other Changes in

Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 1,321,708	\$ 1,199,323	\$ 1,300,863	\$ 1,153,727	\$ 1,175,954	\$ 1,382,357	\$ 1,424,827	\$ 2,977,475	\$ 3,011,855	\$ 3,207,880
Sales and use taxes	18,997,208	20,667,890	21,693,087	22,815,810	24,038,473	24,549,475	25,510,996	25,554,110	28,433,421	30,897,881
Shared sales taxes	-	-	4,270,249	4,523,288	4,977,814	3,854,966	4,077,966	4,045,539	4,432,322	5,055,318
Other shared taxes	1,143,962	1,073,087	1,017,165	1,274,246	1,891,568	1,979,176	2,063,007	2,097,138	2,232,115	2,106,311
Lodgers taxes	722,042	764,257	820,832	918,679	974,572	1,062,509	1,067,684	1,035,151	1,098,958	750,023
Other taxes	5,296,757	5,265,185	138,508	110,407	202,161	1,149,102	1,026,266	1,195,532	1,307,271	1,024,846
Franchise Fees	-	-	1,009,105	1,121,995	1,138,859	1,532,637	1,547,100	1,497,396	1,514,111	1,052,583
Occupational taxes	-	-	184,394	194,394	181,147	155,373	175,703	174,671	178,308	187,020
Gain/loss on disposal of capital assets	4,477	464,641	26,520	-	11,619	2,395	-	6,090	1,176	225,622
Investment earnings	297,870	150,469	34,780	222,369	194,144	198,604	145,168	276,091	588,877	223,309
Miscellaneous	1,182,555	1,845,407	1,351,027	1,297,042	1,779,906	1,333,735	1,968,521	1,475,496	2,135,938	2,777,019
Transfers	(89,898)	(114,996)	(169,444)	(156,847)	(147,361)	(363,373)	(191,011)	(250,000)	(350,000)	(87,500)
Total governmental activities	28,876,681	31,315,263	31,677,086	33,475,110	36,418,856	36,836,956	38,816,227	40,084,689	44,584,352	47,420,312

Business-type activities:										
Gain/loss on disposal of capital assets	11,545	20,500	52,036	20,740	38,628	110,239	-	21,186	-	(34,315)
Investment earnings	225,579	141,285	55,114	161,282	180,197	130,115	174,242	393,793	520,909	156,382
Miscellaneous	184,268	480,854	371,881	387,731	322,355	311,502	294,822	357,432	274,962	558,759
Transfers	89,898	114,996	169,444	156,847	147,361	363,373	191,011	250,000	350,000	87,500
Total business-type activities	511,290	757,635	648,475	726,600	688,541	915,229	660,075	1,022,411	1,145,871	768,326
Total primary government	\$ 29,387,971	\$ 32,072,898	\$ 32,325,561	\$ 34,201,710	\$ 37,107,397	\$ 37,752,185	\$ 39,476,302	\$ 41,107,100	\$ 45,730,223	\$ 48,188,638

Change in Net Position

Governmental activities	\$ 3,961,588	\$ 4,279,262	\$ 2,639,364	\$ 3,679,182	\$ 7,533,422	\$ 8,232,658	\$ 5,840,552	\$ 6,098,017	\$ 9,452,162	\$ 13,521,544
Business-type activities	(549,399)	(1,007,550)	109,121	1,279,195	4,429,653	9,250,441	9,790,052	8,574,717	7,013,194	4,712,797
Total primary government	\$ 3,412,189	\$ 3,271,712	\$ 2,748,485	\$ 4,958,377	\$ 11,963,075	\$ 17,483,099	\$ 15,630,604	\$ 14,672,734	\$ 16,465,356	\$ 18,234,341

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund										
Nonspendable	\$ 30,124	\$ 16,562	\$ 15,536	\$ 45,189	\$ 44,071	\$ 49,977	\$ 51,539	\$ 69,880	\$ 57,311	\$ 658,711
Restricted	1,118,324	1,196,604	1,284,613	1,428,167	1,638,931	1,448,321	1,479,416	1,580,768	1,747,322	1,718,717
Committed	-	785,373	2,404,098	1,500,000	42,191	153,335	146,407	124,197	124,837	80,901
Assigned	218,021	7,080,492	6,659,658	566,016	1,574,489	841,280	684,432	1,088,811	63,478	1,487,101
Unassigned	7,726,125	2,030,212	1,542,339	5,767,924	4,755,657	4,173,476	4,106,955	4,583,723	8,312,876	11,335,865
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 9,092,594	\$ 11,109,243	\$ 11,906,244	\$ 9,307,296	\$ 8,055,339	\$ 6,666,389	\$ 6,468,749	\$ 7,447,379	\$ 10,305,824	\$ 15,281,295
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	567,495	740,722	925,001	7,241,225	6,251,229	7,282,374	1,623,824	2,809,046	289,980	3,554,403
Committed	8,040,453	7,875,468	7,872,639	4,670,089	6,871,049	6,720,670	9,544,754	8,082,415	9,478,548	6,177,395
Assigned	160,190	55,772	46,994	25,361	14,764	(165,881)	40,054	41,315	9,711	8,275
Unassigned	-	-	(587,668)	(675,401)	(356,873)	(239,508)	(68,553)	-	(430,489)	(12,654)
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 8,768,138	\$ 8,671,962	\$ 8,256,966	\$ 11,261,274	\$ 12,780,169	\$ 13,597,655	\$ 11,140,079	\$ 10,932,776	\$ 9,347,750	\$ 9,727,419

Note: Retroactive reporting of fund balances in accordance with GASB Statement 54 is not feasible. Fund balances prospective from 2011 will be reported in accordance with GASB Statement 54.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$ 26,337,715	\$ 27,896,655	\$ 29,417,038	\$ 30,978,221	\$ 33,668,032	\$ 34,611,683	\$ 35,957,074	\$ 37,466,900	\$ 40,978,772	\$ 43,858,498
Special Assessments	760	83,750	37,649	32,941	32,512	21,832	19,156	12,971	-	-
Intergovernmental	4,840,350	4,444,783	4,202,231	5,170,192	7,172,715	7,535,413	3,837,102	3,973,751	4,383,810	5,316,993
Licenses and permits	434,563	543,874	600,710	605,419	769,915	642,712	920,358	769,516	740,108	638,933
Charges for services	3,806,760	3,931,021	4,076,208	4,302,784	4,410,489	4,334,873	4,808,904	5,047,270	6,539,922	4,852,108
Fines and forfeitures	396,329	423,947	476,236	318,307	257,379	244,388	188,606	186,064	138,544	62,661
Investment earnings	259,044	128,959	25,453	222,370	194,144	198,604	133,946	276,091	588,877	177,650
Miscellaneous	1,182,555	2,389,540	1,410,025	1,310,357	2,861,885	1,353,983	1,988,147	1,566,737	2,135,938	2,020,385
Total revenues	37,258,076	39,842,529	40,245,550	42,940,591	49,367,071	48,943,488	47,853,293	49,299,300	55,505,971	56,927,228
Expenditures										
General government	4,870,766	5,232,468	5,757,125	6,982,575	7,307,093	7,814,532	8,217,052	8,091,890	8,519,852	6,956,815
Public safety	10,021,389	10,317,489	10,380,683	11,248,010	11,397,958	12,076,794	12,335,341	14,551,095	14,558,963	15,188,575
Public works	3,681,650	4,050,886	5,499,208	6,819,504	11,675,027	8,657,493	4,748,322	4,393,110	3,634,304	3,370,776
Parks and recreation	6,108,752	7,583,300	7,718,598	7,358,718	7,103,637	7,886,241	8,616,568	11,186,165	8,146,656	6,265,879
Library	1,778,631	1,840,717	1,901,877	2,030,290	2,019,770	2,123,310	2,198,153	2,275,892	2,383,009	2,210,082
Community Services	920,199	1,402,040	876,147	1,621,398	1,177,037	1,432,160	1,323,105	1,168,207	1,302,020	2,162,734
Economic development	602,258	597,252	633,280	777,227	758,775	806,000	706,821	724,246	862,114	794,934
Non-departmental	1,774,349	1,657,336	1,531,075	1,598,260	1,612,742	1,586,592	1,563,947	1,684,325	1,833,941	1,753,736
Capital outlay	8,073,095	1,896,176	1,710,127	3,004,317	1,967,238	3,088,627	5,948,601	420,241	7,208,024	13,341,534
Debt service										
Principal	2,240,000	2,315,000	2,400,000	2,475,000	2,675,000	1,915,000	2,965,000	3,170,000	2,105,000	2,175,000
Interest	1,511,385	1,438,474	1,360,774	1,282,979	1,281,357	1,057,091	868,500	637,233	511,742	449,942
Total expenditures	41,582,474	38,331,138	39,768,894	45,198,278	48,975,634	48,443,840	49,491,410	48,302,404	51,065,625	54,670,007
Excess of revenues over (under) expenditures	(4,324,398)	1,511,391	476,656	(2,257,687)	391,437	499,648	(1,638,117)	996,896	4,440,346	2,257,221
Other financing sources (uses)										
Issuance of debt	-	-	-	2,700,000	-	9,580,000	10,310,000	-	-	-
Payments to escrow agent	-	-	-	-	-	(10,409,413)	(10,258,338)	-	-	-
Transfers in	9,115,584	7,224,179	9,582,188	12,085,037	12,481,114	9,314,997	13,499,941	8,094,955	8,022,312	8,803,682
Transfers out	(9,230,580)	(7,266,176)	(9,697,183)	(12,220,037)	(12,616,114)	(9,564,997)	(13,749,941)	(8,344,955)	(8,372,312)	(8,891,182)
Sale of capital assets	4,477	464,641	21,370	68,394	11,619	2,395	21,718	6,090	1,176	-
Total other financing sources (uses)	(110,519)	422,644	(93,625)	2,633,394	(123,381)	(1,077,018)	(176,620)	(243,910)	(348,824)	(87,500)
Net change in fund balances	\$ (4,434,917)	\$ 1,934,035	\$ 383,031	\$ 375,707	\$ 268,056	\$ (577,370)	\$ (1,814,737)	\$ 752,986	\$ 4,091,522	\$ 2,169,721
Debt service as a percentage of noncapital expenditures	13.8%	11.7%	9.8%	6.9%	5.7%	7.7%	9.6%	8.9%	6.3%	6.8%

City of Durango, Colorado
General Governmental Tax Revenues by Source
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property & SOT</u>	<u>City Sales Tax</u>	<u>City Use Tax</u>	<u>County Sales Tax</u>	<u>Franchise & Business</u>	<u>Lodgers Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2011	\$ 1,421,387	\$ 18,162,241	\$ 834,967	\$ 2,985,380	\$ 1,279,085	\$ 722,042	\$ 932,613	\$ 26,337,715
2012	1,280,845	19,165,358	1,502,532	3,140,649	836,068	764,257	1,206,946	27,896,655
2013	1,300,863	20,314,633	1,378,454	3,390,224	1,193,499	820,832	1,056,182	29,454,687
2014	1,264,134	21,364,739	1,196,928	3,570,505	1,362,019	918,679	1,301,217	30,978,221
2015	1,285,137	22,528,320	1,449,705	3,814,184	1,571,120	974,572	2,044,994	33,668,032
2016	1,382,357	23,152,987	1,307,583	3,854,966	1,688,010	1,062,509	2,074,366	34,522,778
2017	1,424,827	23,719,956	1,791,040	4,077,966	1,722,803	1,067,684	2,152,798	35,957,074
2018	2,977,475	23,809,794	1,611,519	4,045,539	1,672,067	1,035,151	2,182,558	37,334,103
2019	3,011,855	26,945,036	1,488,385	4,432,322	1,692,419	1,098,958	2,309,797	40,978,772
2020	3,207,880	29,048,819	1,849,062	5,055,318	1,760,040	750,023	2,187,356	43,858,498

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

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

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

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

Fiscal Year	General City Sales and Use Tax	Open Space,				Capital Improvements Sales and Use Tax	Streets Improvements Sales and Use Tax	Total Revenue	Total Direct Tax Rate
		Recreation Complex/Trails Sales and Use Tax	Parks and Trails Sales and Use Tax	Parks and Trails Sales and Use Tax	Capital Improvements Sales and Use Tax				
2011	\$ 12,108,845	\$ 3,027,606	\$ 1,512,895	\$ 1,512,895	\$ -	\$ -	\$ -	18,162,241	3.0%
2012	13,779,428	3,445,264	1,721,599	1,721,599	-	-	-	20,667,890	3.0%
2013	14,462,913	3,616,172	1,807,001	1,807,001	1,807,001	-	-	21,693,087	3.0%
2014	15,041,756	3,761,086	1,879,414	1,879,414	1,879,414	-	-	22,561,670	3.0%
2015	15,986,262	3,997,080	1,997,341	1,997,341	1,997,341	-	-	23,978,024	3.0%
2016	16,308,028	4,077,494	2,037,524	2,037,524	2,037,524	-	-	24,460,570	3.0%
2017	16,775,259	4,194,347	2,095,914	2,095,914	2,095,914	-	-	25,161,434	3.0%
2018	15,873,878	3,969,148	1,983,384	1,983,384	1,983,384	-	-	23,809,794	3.0%
2019	17,423,706	4,348,889	2,173,024	2,173,024	2,173,023	2,314,779	2,314,779	28,433,421	3.5%
2020	17,754,153	4,382,264	2,189,600	2,189,600	2,189,600	4,382,264	4,382,264	30,897,881	3.5%

The Recreation Complex/Trails sales and use tax (0.5%) became effective on June 1, 1999 and sunsets on December 31, 2019.
The Open Space, Parks and Trails sales and use tax (0.25%) and the Capital Improvements sales and use tax (0.25%)
were effective July 1, 2005 and sunset on December 31, 2026.

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>La Plata County</u>	<u>State of Colorado</u>
2011	3.0%	2.0%	2.9%
2012	3.0%	2.0%	2.9%
2013	3.0%	2.0%	2.9%
2014	3.0%	2.0%	2.9%
2015	3.0%	2.0%	2.9%
2016	3.0%	2.0%	2.9%
2017	3.0%	2.0%	2.9%
2018	3.0%	2.0%	2.9%
2019	3.5%	2.0%	2.9%
2020	3.5%	2.0%	2.9%

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

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

<u>Classification of Individual Business</u>	<u>2020</u> <u>Sales Tax</u> <u>Remitted</u>	<u>Percentage of</u> <u>Total Tax</u> <u>Remitted</u>	<u>2020</u> <u>Rank</u>	<u>2011</u> <u>Sales Tax</u> <u>Remitted</u>	<u>Percentage of</u> <u>Total Tax</u> <u>Remitted</u>	<u>2011</u> <u>Rank</u>
Retail-General Merchandise	\$ 3,392,631	11.7%	1	\$ 2,595,900	14.3%	1
Retail-Hardware	1,621,757	5.6%	2	804,614		3
Retail-Food Store	1,533,171	5.3%	3	875,529	4.8%	2
Retail-Food Store	1,303,444	4.5%	4	735,689	4.1%	4
Retail-Food Store	826,386	2.8%	5	458,988	2.5%	5
Utility Services	620,839	2.1%	6	445,740	2.5%	6
Retail-Food Store	496,099	1.7%	7	-	0.0%	
Retail- Automotive	424,839	1.5%	8	-	0.0%	
Retail-Food Store	397,723	1.4%	9	214,380	1.2%	8
Retail- General Merchandise	337,994	1.2%	10	N/A	-	
Lodging and Restaurant	N/A	-		244,091	1.3%	7
Retail-Office Merchandise	N/A	-		193,304	1.1%	9
Lodging and Restaurant	N/A	-		182,149	1.0%	10
Total City Sales Tax Collected by 10 Largest Businesses	<u>\$ 10,954,883</u>	<u>37.7%</u>		<u>\$ 6,750,384</u>	<u>37.2%</u>	
Total City Sales Tax Collected by All Businesses	<u>\$ 29,048,819</u>	<u>100%</u>		<u>\$ 18,162,241</u>	<u>100%</u>	

Source: City of Durango Finance Department

Notes: Figures are based on cash basis remittances

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

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

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

Fiscal Year	Governmental Activities			Business-type Activities			Percentage of		
	Sales and Use Tax Revenue	Bonds	Certificates of Participation	Water & Sewer		Total Primary Government	Estimated Actual Taxable Value of Property (2)	Per Capita (1)	
				Fund	Loans				
2011	\$ 36,150,000	\$ -	\$ -	-	\$ -	36,150,000	1.20%	2,139	
2012	33,835,000	-	-	-	-	33,835,000	1.12%	1,986	
2013	31,435,000	-	-	3,978,753	-	35,413,753	1.21%	2,051	
2014	28,960,000	-	2,700,000	3,809,251	-	35,469,251	1.19%	2,005	
2015	26,385,000	-	2,600,000	3,636,428	-	32,621,428	0.98%	1,829	
2016	24,181,490	-	2,500,000	65,660,219	-	92,341,709	2.45%	5,101	
2017	21,745,726	-	2,400,000	63,137,297	-	87,283,023	2.28%	4,717	
2018	18,670,000	-	2,295,000	60,513,091	-	81,478,091	2.13%	4,413	
2019	16,675,000	-	2,185,000	57,837,153	-	76,697,153	1.86%	4,024	
2020	14,615,000	-	2,070,000	55,110,240	-	71,795,240	1.71%	3,763	

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

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

(2) Personal income data is not available at the municipal level for the City of Durango. Estimated taxable value of property has been used instead. Data for actual taxable value was obtained from the La Plata County Assessor's Office and is detailed on the schedule of Property Value and Construction.

City of Durango, Colorado
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2011	\$	- \$	- \$	- \$	-
2012		-	-	-	-
2013		-	-	-	-
2014		-	-	-	-
2015		-	-	-	-
2016		-	-	-	-
2017		-	-	-	-
2018		-	-	-	-
2019		-	-	-	-
2020		-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
The city did not have any general obligation bonds outstanding in the last ten fiscal years.

City of Durango, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
School District 9-R	\$ 19,495,000	42.6%	\$ 8,301,018
Other debt			
La Plata County General Obligation Debt	205,813	33.9%	69,840
Subtotal, overlapping debt			8,370,858
City direct debt			16,685,000
Total direct and overlapping debt			\$ 25,055,858

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

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 48,826,993	\$ 48,646,335	\$ 47,020,225	\$ 48,078,341	\$ 51,642,484	\$ 52,671,610	\$ 54,941,624	\$ 55,446,342	\$ 55,463,420	\$ 59,460,416
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 48,826,993	\$ 48,646,335	\$ 47,020,225	\$ 48,078,341	\$ 51,642,484	\$ 52,671,610	\$ 54,941,624	\$ 55,446,342	\$ 55,463,420	\$ 59,460,416
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Legal Debt Margin Calculation for Fiscal Year 2020										
Assessed Value										\$ 594,604,160
Debt limit (10% of assessed valuation)										59,460,416
Debt applicable to limit:										-
General obligation bonds										-
Less: Amount set aside for repayment										-
Total net debt applicable to limit										-
Legal debt margin										\$ 59,460,416

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

Last Ten Fiscal Years (Unaudited)

2011	\$	1,512,895	\$	69,553	\$	1,582,448	\$	695,000	\$	559,519	\$	1,254,519	1.26%
2012		1,596,438		125,161		1,721,599		725,000		531,719		1,256,719	1.37%
2013		1,692,176		114,825		1,807,001		750,000		502,719		1,252,719	1.44%
2014		1,779,655		99,759		1,879,414		780,000		472,719		1,252,719	1.50%
2015		1,876,581		120,760		1,997,341		815,000		441,519		1,526,519	1.31%
2016		-		-		-		-		-		-	-
2017		-		-		-		-		-		-	-
2018		-		-		-		-		-		-	-
2019		-		-		-		-		-		-	-
2020		-		-		-		-		-		-	-

Note: The pledged revenue for the Series 2007 issue is fifty percent of a one-half cent sales and use tax increase that became effective in July 2005. The pledged taxes sunset December 31, 2026. They are held in the Capital Improvements Fund. These bonds were refinanced in 2016.

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

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue</u>		<u>Debt Service</u>		
			<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2011	\$ 12,108,845	\$ 556,672	\$ 12,665,517	\$ 865,000	\$ 298,983	\$ 1,163,983	10.88%
2012	12,777,690	1,001,738	13,779,428	895,000	270,870	1,165,870	11.82%
2013	13,543,897	919,016	14,462,913	935,000	239,545	1,174,545	12.31%
2014	14,243,981	797,772	15,041,753	965,000	209,625	1,174,625	12.81%
2015	15,019,744	966,518	15,986,262	1,005,000	173,438	1,178,438	13.57%
2016	15,436,263	871,765	16,308,028	1,040,000	133,238	1,173,238	13.90%
2017	15,581,172	1,194,087	16,775,259	1,085,000	91,638	1,176,638	14.26%
2018	15,873,878	1,074,400	16,948,278	1,135,000	48,238	1,183,238	14.32%
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-

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

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

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue</u>		<u>Debt Service</u>		
			<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2011	\$ 12,108,845	\$ 556,672	\$ 12,665,517	\$ 680,000	\$ 652,885	\$ 1,332,885	9.50%
2012	12,777,690	1,001,738	13,779,428	695,000	635,885	1,330,885	10.35%
2013	13,543,897	919,016	14,462,913	715,000	618,510	1,333,510	10.85%
2014	14,243,981	797,772	15,041,753	730,000	600,635	1,330,635	11.30%
2015	15,019,744	966,518	15,986,262	755,000	578,735	1,333,735	11.99%
2016	15,436,263	871,765	16,308,028	775,000	554,198	1,329,198	12.27%
2017	15,581,172	1,194,087	16,775,259	800,000	529,010	1,329,010	12.62%
2018	15,873,878	1,074,400	16,948,278	830,000	65,525	895,525	18.93%
2019	16,381,884	1,009,212	17,391,096	860,000	34,400	894,400	19.44%
2020	-	-	-	-	-	-	-

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

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

<u>Fiscal Year</u>	<u>Pledged Sales Tax</u>	<u>Pledged Use Tax</u>	<u>Revenue</u>		<u>Debt Service</u>		
			<u>Available for</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	1,928,602	108,922	2,037,524	-	-	-	-
2017	1,946,721	149,493	2,096,214	980,000	195,432	1,175,432	1.78%
2018	1,983,384	134,239	2,117,623	1,000,000	175,440	1,175,440	1.80%
2019	2,046,925	126,098	2,173,023	1,015,000	155,040	1,170,040	1.86%
2020	2,057,577	132,023	2,189,600	1,040,000	133,334	1,173,334	1.87%

Note: The pledged revenue for the Series 2007 issue is fifty percent of a one-half cent sales and use tax increase that became effective in July 2005. The pledged taxes sunset December 31, 2026. They are held in the Capital Improvements Fund.

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

<u>Fiscal Year</u>	<u>City Population (1)</u>	<u>County Population (1)</u>	<u>Personal Income (2)</u>	<u>Per capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>	<u>Median Age</u>	<u>K-12 Enrollment (5)</u>	<u>Higher Education Enrollment</u>
2011	16,903	51,924	\$ 2,149,060	\$ 43,453	5.5%	38.5	4,537	3,853
2012	17,033	52,401	2,207,784	45,476	6.0%	38.7	4,575	3,836
2013	17,269	53,446	2,484,802	46,492	5.5%	38.7	4,659	4,065
2014	17,689	54,629	2,534,109	46,388	4.2%	38.8	4,564	4,021
2015	17,834	54,688	2,745,644	50,206	5.5%	38.4	4,697	4,065
2016	18,101	55,623	2,925,107	52,588	2.4%	38.8	5,053	3,585
2017	18,503	55,589	2,932,803	5,279	2.6%	39.0	5,251	3,598
2018	18,465	56,310	3,142,492	55,807	3.1%	40.0	5,419	3,356
2019	19,117	56,221	3,272,944	58,216	2.5%	39.8	5,545	3,310
2020	19,078	56,221	(4)	(4)	7.5%	42.1	6,931	3,443

Sources:

- (1) State of Colorado Division of Local Government Demography Office.
- (2) Personal income and per capita personal income statistics are not available at the municipal level for the City. La Plata County statistics provided by the US Census Bureau-Bureau of Economic Analysis
- (3) Colorado Department of Labor and Employment
- (4) Information not available
- (5) For Durango 9R School District, as a whole, from the Colorado Department of Education

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

Employer	Type of Business	2020			2011		
		Employees	Percentage of Total County Employment*	Rank	Employees	Percentage of Total County Employment	Rank
Southern Ute Tribe	Government	1,545	4.41%	1	1,500	5.45%	1
Mercy Medical Center	Health	941	2.69%	2	625	2.27%	2
Puratory Recreational Management	Recreation	850	2.43%	3	N/A	-	
Durango School District 9R	Government-Education	788	2.25%	4	544	1.98%	3
Fort Lewis College	Government-Education	680	1.94%	5	535	1.94%	4
La Plata County	Government	395	1.13%	6	412	1.50%	7
Bayfield School District 11JT	Government-Education	390	1.11%	7	N/A	-	
City of Durango	Government	354	1.01%	8	500	1.82%	5
Wal-Mart	Retailer	322	0.92%	9	353	1.28%	8
Rocky Mountain Chocolate Factory	Retailer	190	0.54%	10	N/A	-	
Mercury Payments (Later Vantiv)	Finance	N/A	-		442	1.61%	6
Durango Mountain Resort	Recreation	N/A	-		346	1.26%	9
San Juan Basin Health Unit	Government	N/A	-		226	0.82%	10
Total		6,455	18.44%		5,483	19.91%	
Total La Plata County Employment		34,997	100.00%		27,534	100.00%	

Source: Region 9 Economic Development District of SW Colorado
Note: Based on the most recent 2019 data.

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

Fiscal Year	Property Value (1)			Commercial Construction (2)		New Residential & Other Construction (2)	
	Commercial	Residential	Total	Number of Permits	Value	Number of Permits(Units)	Value
2011	\$ 944,478,790	\$ 2,071,047,330	\$ 3,015,526,120	4	\$ 1,449,910	39 (42)	\$ 7,822,044
2012	944,478,790	2,071,047,330	3,015,526,120	9	20,666,680	391(42)	23,353,205
2013	911,382,230	2,009,083,420	2,920,465,650	5	11,803,699	516(100)	36,622,639
2014	935,081,880	2,047,280,250	2,982,362,130	4	4,745,726	70(138)	20,860,867
2015	957,824,280	2,382,562,440	3,340,386,720	7	9,909,232	495(196)	49,571,608
2016	1,039,534,330	2,729,145,880	3,768,680,210	7	2,164,878	434(111)	37,586,147
2017	1,047,965,070	2,786,167,240	3,834,132,310	12	27,641,356	533(355)	56,964,095
2018	1,047,711,180	2,786,423,670	3,834,134,850	10	21,990,065	571(124)	37,190,578
2019	1,104,836,000	3,017,104,310	4,121,940,310	9	7,092,303	539(89)	45,984,765
2020	1,117,497,080	3,076,277,520	4,193,774,600	56	18,311,601	399(96)	20,249,153

Sources:

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

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

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
General government	52.37	53.42	57.25	66.42	69.42	69.42	72.55	72.55	79.75	82.75
Public safety	84.00	84.00	85.00	86.00	86.00	87.00	88.00	88.00	88.00	89.00
Public works	19.00	18.50	19.00	19.00	21.00	23.00	23.10	24.10	24.10	24.10
Parks and recreation	24.00	26.00	29.00	30.00	32.00	32.00	33.00	38.00	38.00	39.00
Library	20.50	20.50	20.50	20.50	20.50	20.50	20.50	20.00	20.00	21.00
Joint venture airport	16.00	16.00	17.00	17.00	21.00	23.00	23.00	23.00	23.00	23.00
Water utility	16.00	15.75	17.00	21.60	20.80	21.80	21.35	20.25	18.00	18.00
Sewer utility	12.00	12.75	16.00	16.40	17.40	17.80	21.35	23.45	21.90	21.90
Parking	6.00	6.00	6.00	-	-	-	-	-	-	-
Sustainable Services	12.50	12.50	12.50	12.00	12.33	13.34	13.15	13.15	12.00	12.00
Public transit/Transportation Services	17.33	18.33	19.33	27.33	30.00	32.00	32.25	27.25	26.00	26.00
Total	279.70	283.75	298.58	316.25	330.45	339.86	348.25	349.75	350.75	356.75

Source: City Budgets.

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

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/Program										
General Government										
Building permits issued	392	400	521	572	502	441	545	581	515	455
Value of buildings (millions)	\$ 22.5	\$ 44.0	\$ 48.4	\$ 40.2	\$ 42.5	\$ 39.8	\$ 84.6	\$ 59.1	\$ 80.3	\$ 38.5
Building construction inspections	781	854	1,191	1,141	1,182	1,126	1,100	1,177	1,139	901
Acres annexed	592,965	772.2	774.82	3655.9	3655.9	3655.9	91.41	1994.8	3.21	3.21
Area in square miles	10.83	11.12	13.85	19.57	19.57	19.57	13.98	17.07	17.10	17.10
Public Safety										
Total number of police incidents	37,836	39,705	34,105	37,466	39,702	40,673	38,705	37,106	32,233	32,682
Number of 911 calls received	16,071	18,180	17,677	18,855	19,002	20,195	19,644	19,995	20,169	21,967
Public Works										
Street miles swept	10,357	11,873	10,840	10,630	11,317	12,100	13,594	12,286	11,093	11,886
Tons hot mix applied	169	242	302	225	359	339	407	360	345	197
Signs replaced/installed	1,931	2,448	2,149	1,546	1,439	1,933	1,750	1,314	1,314	1,589
Snow hauled (cubic yards)	10,490	18,975	8,998	380	15,190	17,620	11,970	566	27,161	1,775
Parks and Recreation										
Recreation Center admissions	339,906	339,666	362,889	371,149	366,006	370,376	370,385	386,613	379,483	141,231
Program participants	30,820	30,987	34,541	36,712	37,445	38,373	42,795	88,714	124,725	18,220
Park & River permits issued	180	213	221	250	267	303	288	226	217	92
Library										
Number of volumes/materials	111,461	118,501	106,432	107,963	120,508	116,455	118,413	120,185	114,202	104,067
Collection Use	410,083	430,370	430,803	438,058	448,803	408,506	402,591	412,874	420,978	210,024
Water utility										
Gallons of water treated (MG)	1,366	1,473	1,560	1,428	1,194	1,232	1,225	1,218	1,177	1,253
Number of water consumers	6,252	6,510	6,467	6,554	6,485	6,410	6,432	7,023	7,327	7,450
Water main breaks	18	28	25	27	19	32	24	61	17	32
Sewer utility										
Gallons of wastewater treated (MG)	710	720	698	667	718	730	717	542	590	570
Average daily use (MG)	1.945	1.963	1.914	1.826	1.982	1.996	1.935	1.488	1.604	1.556
Solid waste										
Commercial accounts	430	450	486	537	552	571	589	600	617	632
Residential	4,422	4,469	4,542	4,548	4,574	4,746	4,991	5,111	5,153	5,187
Cubic yards refuse hauled	21,400	21,966	24,288	23,584	24,826	25,146	26,145	25,510	24,300	25,875
Public transit										
Passengers	583,622	629,573	613,621	583,756	472,943	470,703	478,358	359,368	373,845	232,798
Cost per trip (dollars)	\$ 3.68	\$ 3.59	\$ 3.29	\$ 2.59	\$ 4.64	\$ 4.95	\$ 4.47	\$ 6.54	\$ 3.77	\$ 7.97

Sources: Various city departments and from December Department Monthly Reports.
Notes: The Recreation Center opened in January 2002.

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>Public Safety</i>										
Number of police vehicles	34	36	37	37	37	38	39	39	39	36
<i>Public Works</i>										
Miles of streets	74.9	74.9	74.9	74.9	74.9	77.15	77.15	77.15	77.15	77.4
<i>Parks and Recreation</i>										
Parkland-developed acres	174.09	174.09	175.69	175.69	193.67	193.67	197.61	197.61	197.46	197.46
Parkland- undeveloped acres	111.43	112.17	112.55	112.55	109.85	109.85	108.07	108.07	108.07	108.07
Open space -acres	2,639.0	2,724.0	2,867.5	3,001.1	3,001.6	3,005.0	4,994.3	4,994.3	4,994.4	3,038.6
Number of playgrounds	19	19	19	19	19	19	22	22	22	22
<i>Library</i>										
Number of libraries	1	1	1	1	1	1	1	1	1	1
<i>Water utility</i>										
Miles of water lines	134.62	134.62	135.6	136	137	145.6	146.38	146.38	149.19	149.19
<i>Sewer utility</i>										
Miles of sewer lines	96.13	96.13	100	101.5	101.5	104.7	107.05	107.05	107.05	107.05
<i>Parking</i>										
Number of parking lots	4	4	4	4	4	4	4	4	4	4
<i>Solid waste</i>										
Transfer station	1	1	1	1	1	1	1	1	1	1
Recycling center	1	1	1	1	1	1	1	1	1	1
<i>Public transit</i>										
Number of buses	16	13	16	16	16	16	16	13	13	12

COMPLIANCE SECTION

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

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,150,000
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,688,508
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	291,867	b. Snow and ice removal	623,467
3. Other local imposts (from page 2)	8,326,571	c. Other	348,197
4. Miscellaneous local receipts (from page 2)	210,895	d. Total (a. through c.)	971,664
5. Transfers from toll facilities		4. General administration & miscellaneous	22,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	189,000
a. Bonds - Original Issues		6. Total (1 through 5)	
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	239,133
7. Total (1 through 6)	8,829,333	b. Redemption	1,020,000
B. Private Contributions		c. Total (a. + b.)	1,259,133
C. Receipts from State government (from page 2)	556,105	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	9,385,438	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,259,133
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	7,280,305

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	10,090,000		1,020,000	9,070,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	75,058	9,385,438	7,280,305	2,180,191	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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	7,956,176	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	370,395	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	0
6. Total (1. through 5.)	8,326,571	h. Other County Road \$ Bridge	210,895
c. Total (a. + b.)	8,326,571	i. Total (a. through h.)	210,895
(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	487,396	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	68,709	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	68,709	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	556,105	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	250,000	2,900,000	3,150,000
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	250,000	2,900,000	3,150,000
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	250,000	2,900,000	3,150,000
			(Carry forward to page 1)

Notes and Comments: