

**City of Edgewater, Colorado**

**Financial Statements**

**December 31, 2020**

# City of Edgewater, Colorado

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## Management's Discussion and Analysis

This discussion and analysis of the financial performance of the City of Edgewater, Colorado (City) provides an overview of the City's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the financial statements.

### FINANCIAL HIGHLIGHTS

- The City of Edgewater's primary government (City) had a Net Position of \$24,044,267 at December 31, 2020.
- In addition, the City's component unit—the Edgewater Redevelopment Authority (ERA)—had a Net Position of \$1,485,681 at December 31, 2020.
- The Net Position of the City increased by \$1,601,671 (7.1%) during 2020.
- The Net Position of the ERA increased by \$81,603 (5.8%) during 2020.
- At December 31, 2020, the City's governmental funds reported combined ending fund balances of \$11,480,216. This marked an increase of \$1,613,506 (146.4%) from the prior year's ending governmental fund balances due primarily to increases in the General Fund and the Capital Improvements Fund.
- The General Fund increased its Fund Balance by \$1,244,184 (24.3%) during 2020.
- The Capital Improvement Fund increased its fund balance available for future year spending by \$478,352 (13.1%).
- The City's Utility Funds decreased in Net Position by \$851,822 (-32.3%) during 2020.

### USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Edgewater's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

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

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

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

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

## **Fund financial statements**

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

**Governmental Funds** -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The *Reconciliation of Balance Sheet of the Governmental Funds to the Statement of Net Position* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City of Edgewater currently maintains five individual governmental funds. Information for these funds is presented by fund name in the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the three governmental funds that meet the criteria to be designated as major funds (General Fund, Open Space Fund, and Capital Improvements Fund). The other two (Conservation Trust Fund and Capital Equipment Fund) are combined in a column titled "Nonmajor Governmental Funds." Individual fund data for these nonmajor governmental funds is provided in the back of this report in the section titled "Combining and Individual Fund Financial Statements and Schedules."

**Proprietary Funds** -- The City's utility services are reported in proprietary funds; they focus on overall economic position rather than year-end fund balances. Enterprise funds are the type of proprietary funds used to account for the City's Water Fund, Sewer Fund, and Trash Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in a bit more detail.

**Fiduciary Funds** -- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because their resources are not available to support the City's programs or operations. The City's Firemen's Pension Plan falls in this fund category as a Pension Trust Fund. Its accounting method tracks additions and deductions to the pension fund assets. Funding progress for the fund's long-term pension obligations is shown in the Required Supplementary Information following the Notes to the Financial Statements

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the fund financial statements.

## **Other information**

Budgetary comparison statements or schedules for all funds with budgeted expenditures/expenses are included following the "Notes to Financial Statements" to demonstrate each fund's compliance with adopted

budgets and appropriations. For the year ended December 31, 2020, all funds had budgeted expenditures/expenses.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,044,267 at the close of 2020. As shown below, the City's financial position improved by \$1,601,671 (7.1%) during 2020.

#### City's Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Current and other assets</b>	\$ 12,737,930	\$ 11,887,577	\$ 448,269	\$ 1,275,041	\$ 13,186,199	\$ 13,162,618
<b>Capital assets, net</b>	19,372,794	19,344,554	2,251,928	2,395,942	21,624,722	21,740,496
<b>Total assets</b>	<u>32,110,724</u>	<u>31,232,131</u>	<u>2,700,197</u>	<u>3,670,983</u>	<u>34,810,921</u>	<u>34,903,114</u>
<b>Items Related to Pension</b>	676,464	757,262	-	-	676,464	757,262
<b>Loss on Debt Refunding</b>	-	10,688	-	-	-	10,688
<b>Total deferred outflows</b>	<u>676,464</u>	<u>767,950</u>	<u>-</u>	<u>-</u>	<u>676,464</u>	<u>767,950</u>
<b>Current and other liabilities</b>	1,078,032	2,293,904	176,010	246,570	1,254,042	2,540,474
<b>Long-term debt outstanding</b>	9,288,779	9,886,920	740,568	788,972	10,029,347	10,675,892
<b>Total liabilities</b>	<u>10,366,811</u>	<u>12,180,824</u>	<u>916,578</u>	<u>1,035,542</u>	<u>11,283,389</u>	<u>13,216,366</u>
<b>Items Related to Pension</b>	159,729	12,102	-	-	159,729	12,102
<b>Total deferred inflows</b>	<u>159,729</u>	<u>12,102</u>	<u>-</u>	<u>-</u>	<u>159,729</u>	<u>12,102</u>
<b>Net position:</b>						
<b>Net investment in capital assets</b>	10,400,915	9,573,922	1,511,360	1,611,751	11,912,275	11,185,673
<b>Restricted</b>	1,156,753	1,273,366	-	-	1,156,753	1,273,366
<b>Unrestricted</b>	10,702,980	8,959,867	272,259	1,023,690	10,975,239	9,983,557
<b>Total net position</b>	<u>\$ 22,260,648</u>	<u>\$ 19,807,155</u>	<u>\$ 1,783,619</u>	<u>\$ 2,635,441</u>	<u>\$ 24,044,267</u>	<u>\$ 22,442,596</u>

Much (49.5%) of the City's total net position at December 31, 2020 is represented by its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment). The City uses these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending.

Approximately 4.8% (\$1,156,753) of the City's total net position at the end of 2020 represents resources that are subject to external restrictions on how they may be used. They are fund balance restrictions for parks (\$184,845), open space (\$682,908), and emergencies (\$289,000).

The remaining amount of the City's total net position at the end of 2020 (\$10,975,239) represents 45.7% of total net position and may be used to meet the City's other ongoing obligations to residents and creditors.

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

City's Condensed Changes in Net Position

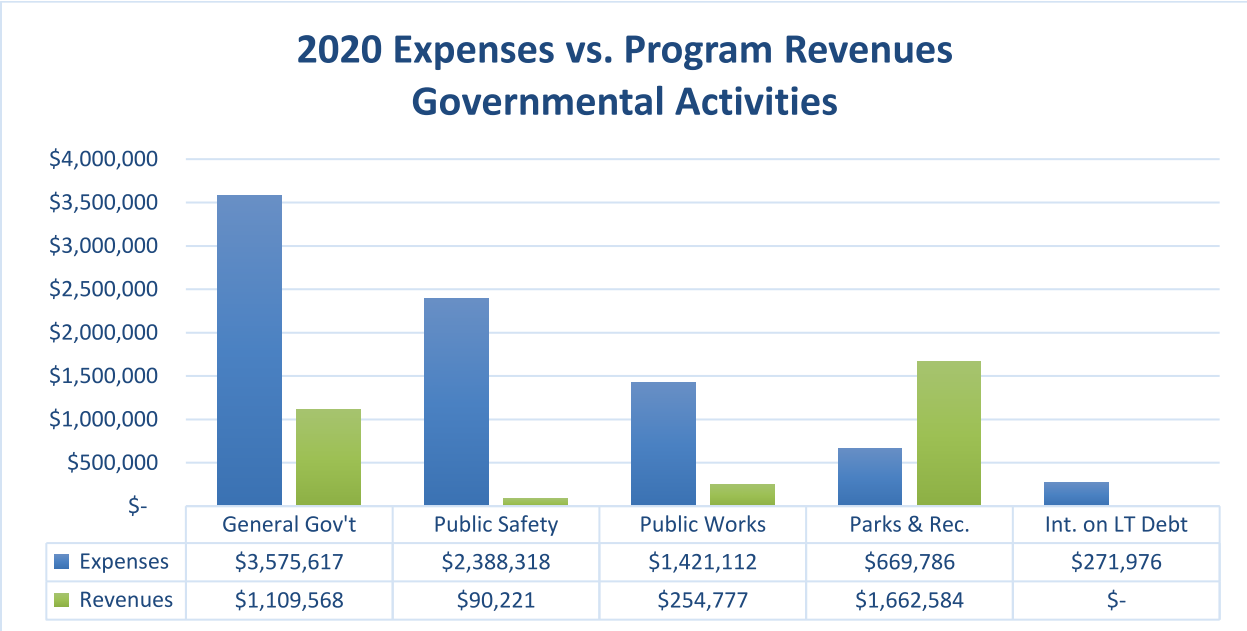
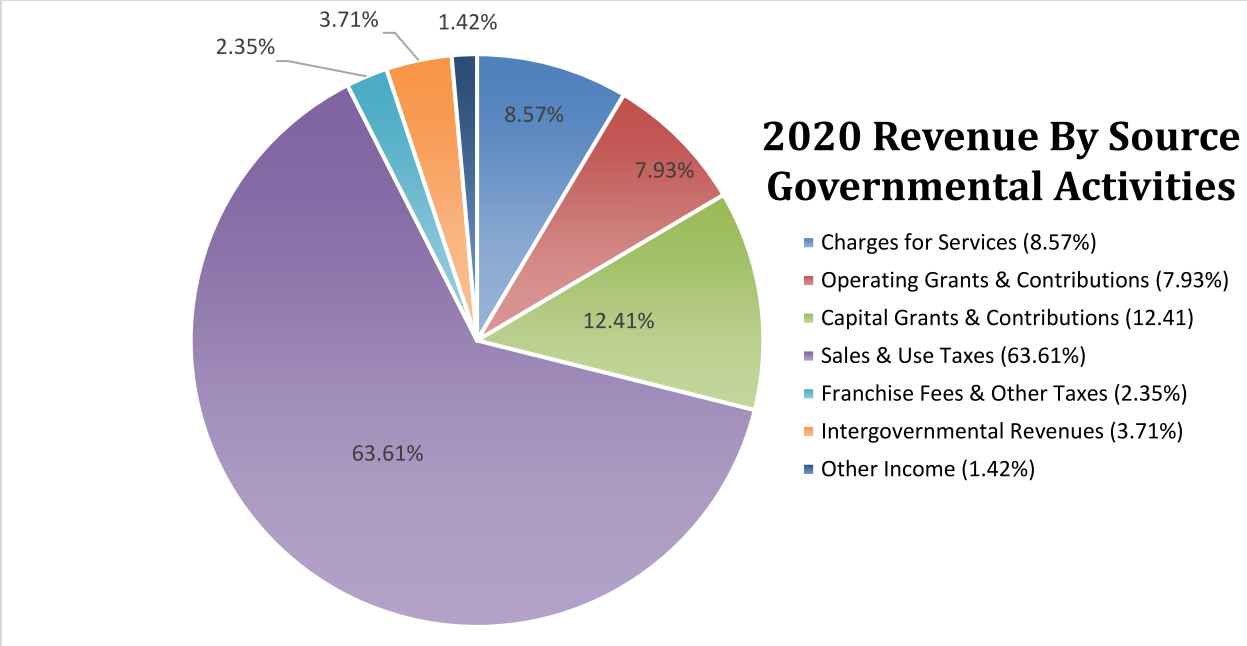
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Program Revenues:</u>						
Charges for services	\$ 924,333	\$ 1,006,766	\$ 1,892,923	\$ 1,942,455	\$ 2,817,256	\$ 2,949,221
Operating grants & contributions	\$ 855,317	\$ 476,993	\$ -	\$ -	\$ 855,317	\$ 476,993
Capital grants & contributions	\$ 1,337,500	\$ -	\$ 34,464	\$ 197,164	\$ 1,371,964	\$ 197,164
General revenues:					\$ -	\$ -
Sales & use taxes	\$ 6,857,023	\$ 6,285,366	\$ -	\$ -	\$ 6,857,023	\$ 6,285,366
Franchise & other taxes	\$ 253,153	\$ 255,559	\$ -	\$ -	\$ 253,153	\$ 255,559
Other general revenues	\$ 552,976	\$ 1,033,782	\$ -	\$ 9,139	\$ 552,976	\$ 1,042,921
<b>Total Revenues</b>	<b>\$ 10,780,302</b>	<b>\$ 9,058,466</b>	<b>\$ 1,927,387</b>	<b>\$ 2,148,758</b>	<b>\$ 12,707,689</b>	<b>\$ 11,207,224</b>
<u>Program Expenses:</u>						
General government	\$ 3,575,617	\$ 3,105,419	\$ -	\$ -	\$ 3,575,617	\$ 3,105,419
Public safety	\$ 2,388,318	\$ 2,419,312	\$ -	\$ -	\$ 2,388,318	\$ 2,419,312
Public works	\$ 1,421,112	\$ 1,227,088	\$ -	\$ -	\$ 1,421,112	\$ 1,227,088
Parks and Recreation	\$ 669,786	\$ 586,845	\$ -	\$ -	\$ 669,786	\$ 586,845
Interest on Long-Term Debt	\$ 271,976	\$ 288,016	\$ -	\$ -	\$ 271,976	\$ 288,016
Water	\$ -	\$ -	\$ 1,861,352	\$ 1,445,076	\$ 1,861,352	\$ 1,445,076
Sewer	\$ -	\$ -	\$ 648,126	\$ 679,706	\$ 648,126	\$ 679,706
Trash	\$ -	\$ -	\$ 269,731	\$ 244,298	\$ 269,731	\$ 244,298
<b>Total Expenses</b>	<b>\$ 8,326,809</b>	<b>\$ 7,626,680</b>	<b>\$ 2,779,209</b>	<b>\$ 2,369,080</b>	<b>\$ 11,106,018</b>	<b>\$ 9,995,760</b>
Change in Net Position	\$ 2,453,493	\$ 1,431,786	\$ (851,822)	\$ (220,322)	\$ 1,601,671	\$ 1,211,464
Net Position, Beginning	\$ 19,807,155	\$ 18,375,369	\$ 2,635,441	\$ 2,855,763	\$ 22,442,596	\$ 21,231,132
<b>Net Position, Ending</b>	<b>\$ 22,260,648</b>	<b>\$ 19,807,155</b>	<b>\$ 1,783,619</b>	<b>\$ 2,635,441</b>	<b>\$ 24,044,267</b>	<b>\$ 22,442,596</b>

**Governmental Activities**

The City's Governmental Activities increased in net position by \$2,453,493 (12.4%) in 2020. This was a continued improvement similar to 2019 when Governmental Activities net position increased by \$1,431,786 (7.8%). Key elements of the 2020 increase are as follows:

- Total revenues increased by \$1,721,836 primarily due to capital grants and contributions received from other governments.
- Total expenses increased by \$700,129 in 2020 primarily due to General Government.

The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.

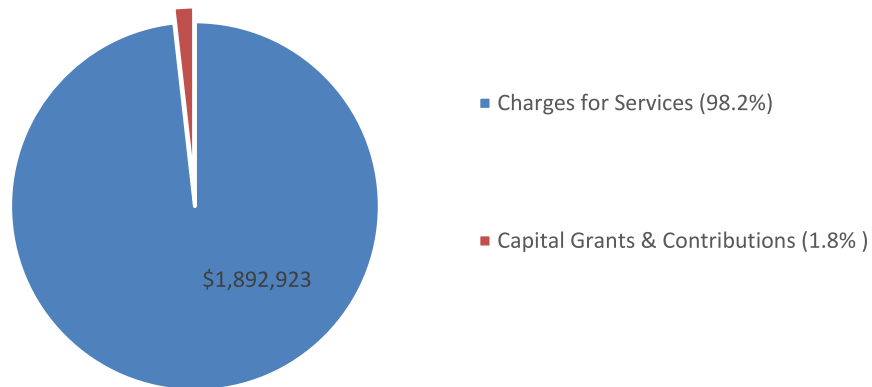


**Business-type Activities**

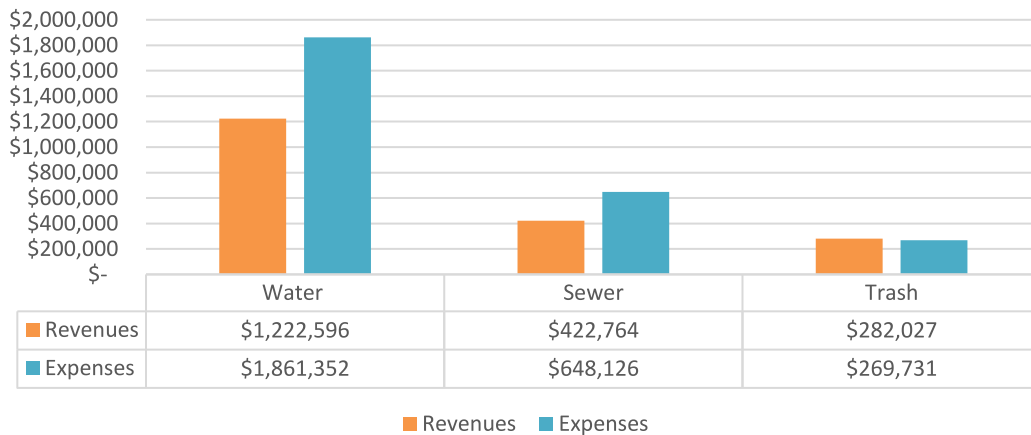
Business-type Activities decreased in net position by  $-\$851,822$  (-32.3%) during 2020. This was a worsening trend from 2019 when net position decreased by  $-\$220,322$  (-7.7%). Service Operating Expenses significantly exceeded Operating Revenues in the Water and Sewer Funds, causing these decreases in Net Position. The Trash Fund posted a modest increase in Net Position of  $\$12,296$ .

The following two charts illustrate the Business-type Activities revenues and expenses for 2020.

### Revenues by Source - Business-Type Activities



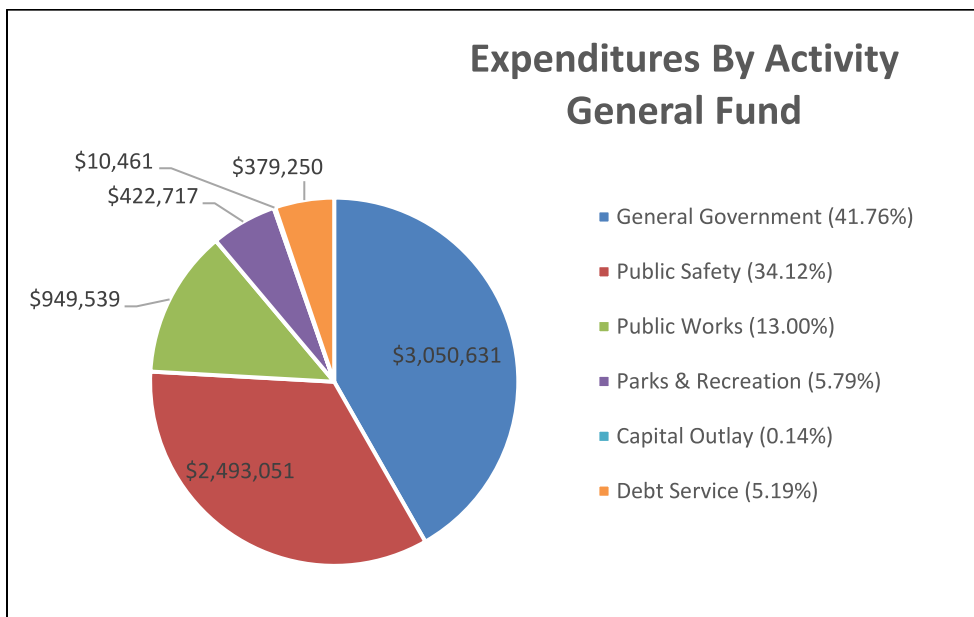
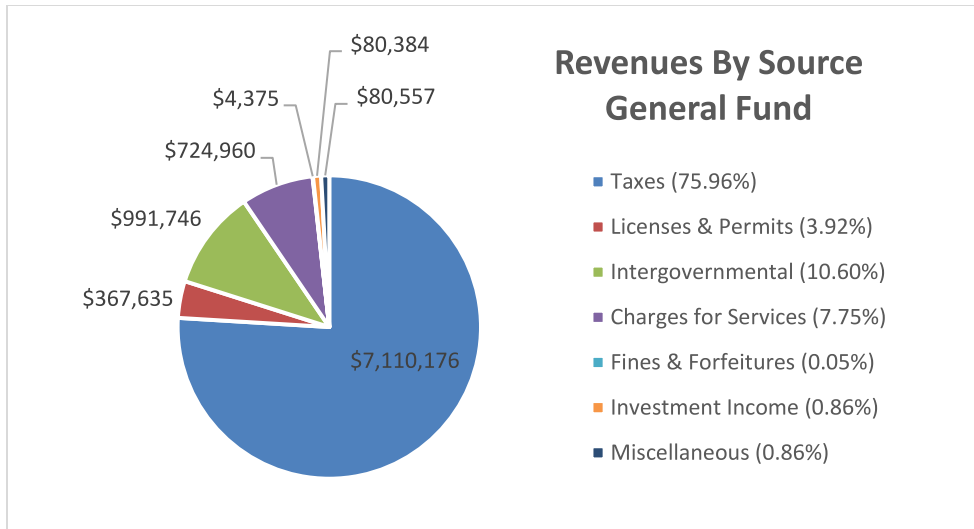
### 2020 Expenses vs. Program Revenues Business-Type Activities



## THE CITY'S FUNDS

As noted earlier, the City of Edgewater uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. At December 31, 2020 the City's three major Governmental funds reported combined ending fund balances of \$11,193,330. These funds are discussed below.

*General Fund.* The General Fund is the chief operating fund of the City of Edgewater. It accounts for all the general services provided by the City. At the end of 2020, the fund balance of the General Fund totaled \$6,372,948. This was a \$1,244,184 (24.3%) increase over 2019. Expenditures in 2020 of \$7,305,649 were outpaced by revenues totaling \$9,359,833. The General Fund also transferred \$810,000 to the Capital Improvements and Capital Equipment funds. The following two tables illustrate General Fund revenues and expenditures during 2020.



**Open Space Fund.** The Open Space Fund is utilized to account for the City's portion of Open Space Sales Tax revenues shared by Jefferson County. These revenues are legally restricted to use for open space, parks, trails, and associated outdoor recreation programs. In 2020, \$199,245 in current revenues and \$117,002 from prior year fund balances were spent on such programs.

**Capital Improvements Fund.** The City's Capital Improvements Fund was established to finance major capital improvements. During 2020, the City spent \$31,909 on Civic Center improvements, \$564,249 on debt service payments for the Civic Center capital lease, \$391,554 for Safe Routes to School, and \$321,436 on street, sidewalk, alley, and traffic improvements. Parts of these projects were funded through a transfer from the General Fund (\$450,000) and contributions from other governments (\$1,337,500).

**Water Fund.** At December 31, 2020 the Net Position of the Water Fund was \$688,491. This reflected a decrease of 48.1% (-\$638,756) during 2020. Expenditures exceeded the adopted budget by \$516,891.

*Sewer Fund.* At December 31, 2020 the Net Position of the Sewer Fund was \$989,102. This reflected a decrease of 18.6% (-\$225,362) during 2020. Expenditures exceeded the adopted budget by \$75,326.

*Trash Fund.* At December 31, 2020 the Net Position of the Trash Fund was \$106,026. This reflected an increase of 13.1% (\$12,296) in 2020. Expenditures exceeded the adopted budget by \$10,475.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

*Capital Assets.* At December 31, 2020, the City had invested in a range of capital assets including land, buildings and improvements, equipment, and infrastructure such as streets, alleys, and sidewalks. A summary of these assets is shown below. Note 3 of the financial statements provides additional information.

### Governmental Activities

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
<b>Capital assets not being depreciated</b>				
Land	\$ 2,730,128	\$ -	\$ -	\$ 2,730,128
<b>Total capital assets not being depreciated</b>	<b>\$ 2,730,128</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,730,128</b>
<b>Capital assets being depreciated</b>				
Buildings and Improvements	13,492,772	31,909	-	13,524,681
Equipment	1,648,707	285,317	-	1,934,024
Infrastructure	4,325,371	476,140	-	4,801,511
<b>Total capital assets being depreciated</b>	<b>\$ 19,466,850</b>	<b>\$ 793,366</b>	<b>\$ -</b>	<b>\$ 20,260,216</b>
<b>Accumulated depreciation</b>				
Buildings and Improvements	(664,199)	(342,256)	-	(1,006,455)
Equipment	(1,024,493)	(183,998)	-	(1,208,491)
Infrastructure	(1,163,732)	(238,872)	-	(1,402,604)
<b>Total accumulated depreciation</b>	<b>\$ (2,852,424)</b>	<b>\$ (765,126)</b>	<b>\$ -</b>	<b>\$ (3,617,550)</b>
<b>Net capital assets</b>	<b>\$ 19,344,554</b>	<b>\$ 28,240</b>	<b>\$ -</b>	<b>\$ 19,372,794</b>

### Business-type Activities

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
<b>Capital assets being depreciated</b>				
Water system	\$ 2,679,030	\$ -	\$ -	\$ 2,679,030
Sewer system	1,525,031	-	-	1,525,031
<b>Total capital assets not being depreciated</b>	<b>\$ 4,204,061</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,204,061</b>
<b>Accumulated depreciation</b>				
Water system	(1,377,590)	(93,878)	-	(1,471,468)
Sewer system	(430,529)	(50,136)	-	(480,665)
<b>Total accumulated depreciation</b>	<b>\$ (1,808,119)</b>	<b>\$ (144,014)</b>	<b>\$ -</b>	<b>\$ (1,952,133)</b>
<b>Net capital assets</b>	<b>\$ 2,395,942</b>	<b>\$ (144,014)</b>	<b>\$ -</b>	<b>\$ 2,251,928</b>

*Debt Administration.* Note 4 of the financial statements provides a summary of the City's long-term debt. At December 31, 2020, the City's Governmental Activities had an outstanding capital lease of \$9,100,000.

It is payable from general sales and use tax revenues of the City. Accrued leave payable for compensated absences is also recorded.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Management will consider the revenue and expenditure needs of the Enterprise funds in the 2021 and future budgets in light of recent operating losses in the Water and Sewer Funds. It is anticipated that the other funds will continue to operate profitably with adequate reserves, however beginning in March 2020, the State of Colorado imposed lengthy restrictions on businesses, recreation, and places of worship with the stated purpose of slowing the spread of the Coronavirus so that hospital facilities would not be overwhelmed with patients. The City has been economically impacted by these restrictions, and the full economic impact has yet to be determined.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide the City of Edgewater's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the funds it receives and assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the City's Finance Department at City of Edgewater, 1800 Harlan St., Edgewater, CO 80214 or call (720) 763-3041.

## **Independent Auditors' Report**

# HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

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23720 Pondview Place  
Golden, CO 80401

(303) 981-7059

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Edgewater, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Edgewater, Colorado 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 of the City of Edgewater, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Edgewater, 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 –Management Discussion and Analysis*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

### *Required Supplementary Information – Pension Schedules and Budgetary Comparison Schedules*

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Edgewater's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hamblin and Associates*

Golden, Colorado  
November 13, 2023

## **Basic Financial Statements**

**City of Edgewater, Colorado**  
**Statement of Net Position**  
**December 31, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Redevelopment Authority
<b>Assets</b>				
Cash and Investments	\$ 11,400,021	\$ 219,977	\$ 11,619,998	\$ 1,315,578
Restricted Cash and Investments	128,121	-	128,121	-
Accounts Receivable	147,656	211,642	359,298	119
Taxes Receivable	826,003	-	826,003	341,666
Prepaid Expenses	35,013	-	35,013	-
Inventory	-	16,650	16,650	-
Capital Assets, Not Being Depreciated	2,730,128	-	2,730,128	134,000
Capital Assets, Net of Accumulated Deprecation	16,642,666	2,251,928	18,894,594	39,200
Net Pension Asset	201,116	-	201,116	-
<b>Total Assets</b>	<b>32,110,724</b>	<b>2,700,197</b>	<b>34,810,921</b>	<b>1,830,563</b>
<b>Deferred Outflows of Resources</b>				
Pensions, Net of Accumulated Amortization	676,464	-	676,464	-
<b>Total Deferred Outflows of Resources</b>	<b>676,464</b>	<b>-</b>	<b>676,464</b>	<b>-</b>
<b>Liabilities</b>				
Accounts Payable	972,039	173,541	1,145,580	3,216
Retainage Payable	21,841	-	21,841	-
Accrued Liabilities	53,018	-	53,018	-
Customer Deposits	9,700	-	9,700	-
Accrued Interest Payable	21,434	2,469	23,903	-
Noncurrent Liabilities				
Due Within One Year	513,878	44,500	558,378	-
Due in More Than One Year	8,774,901	696,068	9,470,969	-
<b>Total Liabilities</b>	<b>10,366,811</b>	<b>916,578</b>	<b>11,283,389</b>	<b>3,216</b>
<b>Deferred Inflows of Resources</b>				
Pensions, Net of Accumulated Amortization	159,729	-	159,729	-
Property Taxes	-	-	-	341,666
<b>Total Deferred Inflows of Resources</b>	<b>159,729</b>	<b>-</b>	<b>159,729</b>	<b>341,666</b>
<b>Net Position</b>				
Net Investment in Capital Assets	10,400,915	1,511,360	11,912,275	173,200
Restricted for:				
Emergencies	289,000	-	289,000	-
Parks and Open Space	867,753	-	867,753	-
Unrestricted	10,702,980	272,259	10,975,239	1,312,481
<b>Total Net Position</b>	<b>\$ 22,260,648</b>	<b>\$ 1,783,619</b>	<b>\$ 24,044,267</b>	<b>\$ 1,485,681</b>

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

**City of Edgewater, Colorado**  
**Statement of Activities**  
**Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Totals	Component Unit Redevelopment Authority
<b>Primary Government</b>								
Governmental Activities								
General Government	\$ 3,575,617	\$ 753,684	\$ 355,884	\$ -	\$ (2,466,049)	\$ -	\$ (2,466,049)	\$ -
Public Safety	2,388,318	2,566	87,655	-	(2,298,097)	-	(2,298,097)	-
Public Works	1,421,112	106,698	148,079	-	(1,166,335)	-	(1,166,335)	-
Parks and Recreation	669,786	61,385	263,699	1,337,500	992,798	-	992,798	-
Interest on Long-Term Debt	271,976	-	-	-	(271,976)	-	(271,976)	-
Total Governmental Activities	8,326,809	924,333	855,317	1,337,500	(5,209,659)	-	(5,209,659)	-
Business-Type Activities								
Water	1,861,352	1,222,596	-	-	-	(638,756)	(638,756)	-
Sewer	648,126	388,300	-	34,464	-	(225,362)	(225,362)	-
Trash	269,731	282,027	-	-	-	12,296	12,296	-
Total Business-Type Activities	2,779,209	1,892,923	-	34,464	-	(851,822)	(851,822)	-
Total Primary Government	\$ 11,106,018	\$ 2,817,256	\$ 855,317	\$ 1,371,964	(5,209,659)	(851,822)	(6,061,481)	-
<b>Component Unit</b>								
Redevelopment Authority	\$ 92,696	\$ -	\$ -	\$ -	-	-	-	(92,696)
<b>General Revenues</b>								
Property Tax Increment					-	-	-	174,299
Sales and Use Taxes					6,857,023	-	6,857,023	-
Franchise Taxes					253,153	-	253,153	-
Intergovernmental Revenues not Restricted to Specific Programs					400,128	-	400,128	-
Investment Income					80,384	-	80,384	-
Miscellaneous					72,464	-	72,464	-
Total General Revenues					7,663,152	-	7,663,152	174,299
Change in Net Position					2,453,493	(851,822)	1,601,671	81,603
<b>Net Position, Beginning</b>					19,807,155	2,635,441	22,442,596	1,404,078
<b>Net Position, Ending</b>					\$ 22,260,648	\$ 1,783,619	\$ 24,044,267	\$ 1,485,681

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

**City of Edgewater, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General	Open Space	Capital Improvements	Nonmajor Governmental Funds	Totals
<b>Assets</b>					
Cash and Investments	\$ 6,397,789	\$ 649,401	\$ 4,051,194	\$ 301,637	\$ 11,400,021
Restricted Cash and Investments	-	-	128,121	-	128,121
Accounts Receivable	111,706	35,950	-	-	147,656
Taxes Receivable	826,003	-	-	-	826,003
Prepaid Expenditures	35,013	-	-	-	35,013
<b>Total Assets</b>	<b>\$ 7,370,511</b>	<b>\$ 685,351</b>	<b>\$ 4,179,315</b>	<b>\$ 301,637</b>	<b>\$ 12,536,814</b>
<b>Liabilities</b>					
Accounts Payable	\$ 934,845	\$ 2,443	\$ 20,000	\$ 14,751	\$ 972,039
Retainage Payable	-	-	21,841	-	21,841
Accrued Liabilities	53,018	-	-	-	53,018
Customer Deposits	9,700	-	-	-	9,700
<b>Total Liabilities</b>	<b>997,563</b>	<b>2,443</b>	<b>41,841</b>	<b>14,751</b>	<b>1,056,598</b>
<b>Fund Balances</b>					
Nonspendable Prepaid Expenditures	35,013	-	-	-	35,013
Restricted for:					
Emergencies	289,000	-	-	-	289,000
Parks and Open Space	-	682,908	-	184,845	867,753
Assigned to Capital Outlay	-	-	4,137,474	102,041	4,239,515
Unrestricted, Unassigned	6,048,935	-	-	-	6,048,935
<b>Total Fund Balances</b>	<b>6,372,948</b>	<b>682,908</b>	<b>4,137,474</b>	<b>286,886</b>	<b>11,480,216</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,370,511</b>	<b>\$ 685,351</b>	<b>\$ 4,179,315</b>	<b>\$ 301,637</b>	<b>\$ 12,536,814</b>

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

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

**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 11,480,216
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	19,372,794
Net pension assets (liabilities) and the related deferred inflows and outflows are not current financial resources and, therefore, are not reported in governmental funds.	
Net Pension Asset	201,116
Pension-Related Deferred Outflows of Resources	676,464
Pension-Related Deferred Inflows of Resources	(159,729)
Long-term liabilities and related items are not due and payable in the current year and, therefore are not reported in governmental funds.	
Accrued Interest Payable	(21,434)
Long-Term Debt	<u>(9,288,779)</u>
Total Net Position of Governmental Activities	<u><u>\$ 22,260,648</u></u>

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

**City of Edgewater, Colorado**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2020

	General	Open Space	Capital Improvements	Nonmajor Governmental Funds	Totals
<b>Revenues</b>					
Taxes	\$ 7,110,176	\$ -	\$ -	\$ -	\$ 7,110,176
Licenses and Permits	367,635	-	-	-	367,635
Intergovernmental	991,746	199,245	1,337,500	55,364	2,583,855
Charges for Services	724,960	-	-	-	724,960
Fines and Forfeitures	4,375	-	-	-	4,375
Investment Income	80,384	-	-	-	80,384
Miscellaneous	80,557	-	-	997	81,554
<b>Total Revenues</b>	<u>9,359,833</u>	<u>199,245</u>	<u>1,337,500</u>	<u>56,361</u>	<u>10,952,939</u>
<b>Expenditures</b>					
Current					
General Government	3,050,631	-	-	72,473	3,123,104
Public Safety	2,493,051	-	-	23,515	2,516,566
Public Works	949,539	-	207,768	1,152	1,158,459
Parks and Recreation	422,717	316,247	-	65,475	804,439
Capital Outlay	10,461	-	537,131	245,774	793,366
Debt Service					
Principal	370,000	-	300,000	-	670,000
Interest and Fiscal Charges	9,250	-	264,249	-	273,499
<b>Total Expenditures</b>	<u>7,305,649</u>	<u>316,247</u>	<u>1,309,148</u>	<u>408,389</u>	<u>9,339,433</u>
Excess of Revenues Over (Under) Expenditures	<u>2,054,184</u>	<u>(117,002)</u>	<u>28,352</u>	<u>(352,028)</u>	<u>1,613,506</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	450,000	360,000	810,000
Transfers Out	(810,000)	-	-	-	(810,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(810,000)</u>	<u>-</u>	<u>450,000</u>	<u>360,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,244,184	(117,002)	478,352	7,972	1,613,506
<b>Fund Balances, Beginning</b>	<u>5,128,764</u>	<u>799,910</u>	<u>3,659,122</u>	<u>278,914</u>	<u>9,866,710</u>
<b>Fund Balances, Ending</b>	<u>\$ 6,372,948</u>	<u>\$ 682,908</u>	<u>\$ 4,137,474</u>	<u>\$ 286,886</u>	<u>\$ 11,480,216</u>

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

## City of Edgewater, Colorado

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2020

#### Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 1,613,506
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlay	793,366
Depreciation Expense	(765,126)
<p>Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	
	670,000
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>	
Amortization of Loss on Debt Refunding	(10,688)
Amortization of Premiums	11,320
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:</p>	
Accrued Interest Payable	891
Compensation Absences Payable	(83,179)
Net Pension Asset	143,937
Net Pension Liability	307,891
Pension-Related Deferred Outflows and Inflows of Resources	<u>(228,425)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,453,493</u>

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

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

	Water	Sewer	Nonmajor Trash	Totals
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 108,280	\$ -	\$ 111,697	\$ 219,977
Accounts Receivable	136,194	42,060	33,388	211,642
Interfund Receivable	87,715	-	-	87,715
Inventory	16,650	-	-	16,650
Total Current Assets	<u>348,839</u>	<u>42,060</u>	<u>145,085</u>	<u>535,984</u>
<b>Noncurrent Assets</b>				
Capital Assets, Net of Accumulated Depreciation	1,207,562	1,044,366	-	2,251,928
Total Noncurrent Assets	<u>1,207,562</u>	<u>1,044,366</u>	<u>-</u>	<u>2,251,928</u>
Total Assets	<u>1,556,401</u>	<u>1,086,426</u>	<u>145,085</u>	<u>2,787,912</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	124,873	9,609	39,059	173,541
Accrued Interest Payable	2,469	-	-	2,469
Interfund Payable	-	87,715	-	87,715
Loans Payable, Current Portion	44,500	-	-	44,500
Total Current Liabilities	<u>171,842</u>	<u>97,324</u>	<u>39,059</u>	<u>308,225</u>
<b>Noncurrent Liabilities</b>				
Loans Payable	696,068	-	-	696,068
Total Noncurrent Liabilities	<u>696,068</u>	<u>-</u>	<u>-</u>	<u>696,068</u>
Total Liabilities	<u>867,910</u>	<u>97,324</u>	<u>39,059</u>	<u>1,004,293</u>
<b>Net Position</b>				
Net Investment in Capital Assets	466,994	1,044,366	-	1,511,360
Unrestricted	221,497	(55,264)	106,026	272,259
Total Net Position	<u>\$ 688,491</u>	<u>\$ 989,102</u>	<u>\$ 106,026</u>	<u>\$ 1,783,619</u>

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

**City of Edgewater, Colorado**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended December 31, 2020

	Water	Sewer	Nonmajor Trash	Totals
<b>Operating Revenues</b>				
Charges for Services	\$ 1,142,914	\$ 388,300	\$ 282,027	\$ 1,813,241
Miscellaneous	79,682	-	-	79,682
<b>Total Operating Revenues</b>	<u>1,222,596</u>	<u>388,300</u>	<u>282,027</u>	<u>1,892,923</u>
<b>Operating Expenses</b>				
Service Operating Expenses	1,752,153	597,990	269,731	2,619,874
Depreciation	93,878	50,136	-	144,014
<b>Total Operating Expenses</b>	<u>1,846,031</u>	<u>648,126</u>	<u>269,731</u>	<u>2,763,888</u>
<b>Net Operating Income (Loss)</b>	<u>(623,435)</u>	<u>(259,826)</u>	<u>12,296</u>	<u>(870,965)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest Expense	(15,321)	-	-	(15,321)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(15,321)</u>	<u>-</u>	<u>-</u>	<u>(15,321)</u>
<b>Net Income (Loss) Before Contributions</b>	(638,756)	(259,826)	12,296	(886,286)
<b>Capital Contributions</b>				
Connection Fees	-	34,464	-	34,464
<b>Change in Net Position</b>	(638,756)	(225,362)	12,296	(851,822)
<b>Net Position, Beginning</b>	<u>1,327,247</u>	<u>1,214,464</u>	<u>93,730</u>	<u>2,635,441</u>
<b>Net Position, Ending</b>	<u>\$ 688,491</u>	<u>\$ 989,102</u>	<u>\$ 106,026</u>	<u>\$ 1,783,619</u>

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

**City of Edgewater, Colorado**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2020

	Water	Sewer	Nonmajor Trash	Totals
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 1,213,805	\$ 384,889	\$ 273,966	\$ 1,872,660
Cash Paid to Suppliers	(1,680,751)	(765,009)	(249,310)	(2,695,070)
Payments from (to) Other Funds	(87,715)	87,715	-	-
Net Cash Provided (Used) by Operating Activities	<u>(554,661)</u>	<u>(292,405)</u>	<u>24,656</u>	<u>(822,410)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Connection Fees Received	-	34,464	-	34,464
Debt Principal Payments	(43,623)	-	-	(43,623)
Debt Interest Payments	(15,466)	-	-	(15,466)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(59,089)</u>	<u>34,464</u>	<u>-</u>	<u>(24,625)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(613,750)	(257,941)	24,656	(847,035)
<b>Cash and Cash Equivalents, Beginning</b>	<u>722,030</u>	<u>257,941</u>	<u>87,041</u>	<u>1,067,012</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 108,280</u>	<u>\$ -</u>	<u>\$ 111,697</u>	<u>\$ 219,977</u>
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Net Operating Income (Loss)	\$ (623,435)	\$ (259,826)	\$ 12,296	\$ (870,965)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	93,878	50,136	-	144,014
Changes in Assets and Liabilities				
Accounts Receivable	(8,791)	(3,411)	(8,061)	(20,263)
Interfund Receivable	(87,715)	-	-	(87,715)
Accounts Payable	73,929	(164,765)	20,421	(70,415)
Interfund Payable	-	87,715	-	87,715
Compensated Absences Payable	(2,527)	(2,254)	-	(4,781)
Net Cash Provided (Used) by Operating Activities	<u>\$ (554,661)</u>	<u>\$ (292,405)</u>	<u>\$ 24,656</u>	<u>\$ (822,410)</u>

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

**City of Edgewater, Colorado**  
Statement of Fiduciary Net Position  
Pension Trust Fund  
December 31, 2020

	<u>Firemen's Pension</u>
<b>Assets</b>	
Cash	\$ 278,964
Investments	
U.S. Agency Securities	477,056
Accounts Receivable	<u>24,000</u>
 Total Assets	 <u>\$ 780,020</u>
 <b>Net Position</b>	
Restricted for Pension Benefits	 <u>\$ 780,020</u>

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

**City of Edgewater, Colorado**  
Statement of Changes in Fiduciary Net Position  
Pension Trust Fund  
Year Ended December 31, 2020

	Firemen's Pension
<b>Additions</b>	
City Contributions	\$ 34,300
State Contributions	22,500
Investment Income	28,255
Total Additions	85,055
<b>Deductions</b>	
Pension Benefits	54,608
Operating Expenses	2,500
Total Deductions	57,108
<b>Change in Net Position</b>	27,947
<b>Net Position, Beginning</b>	752,073
<b>Net Position, Ending</b>	\$ 780,020

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

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 1: Summary of Significant Accounting Policies**

The City of Edgewater (the City) adopted a home rule charter on June 24, 2008. The City is governed by a Mayor and seven-member council elected by the residents. The City provides the following services: public safety, public works, public improvements, parks and recreation, planning and zoning, municipal court, water, sewer, trash, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### **Reporting Entity**

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

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

The *Edgewater Redevelopment Authority* (the Authority) provides redevelopment within the City limits. The City Council approves appointments to the governing board of the Authority. Although the Authority is legally separate from the City, the Authority's primary revenue source, tax increment financing, can only be established by the City. The Authority is discretely presented in the financial statements and does not issue separate financial statements.

#### **Government-wide and Fund Financial Statements**

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

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Government-wide and Fund Financial Statements** (Continued)

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

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

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

# City of Edgewater, Colorado

Notes to Financial Statements

December 31, 2020

## **Note 1: Summary of Significant Accounting Policies** (Continued)

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

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

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

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

The *Open Space Fund* accounts for Jefferson County sales tax revenues that are shared with the City and restricted for open space and parks expenditures.

The *Capital Improvements Fund* accounts for the City's ongoing capital projects, which are financed primarily by General Fund transfers and debt proceeds.

The City reports the following major proprietary funds:

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

The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.

Additionally, the City reports the following fund type:

The *Pension Trust Fund* accounts for the activities of the Firemen's Pension Plan, which accumulates resources for benefits paid to qualified volunteer firefighters.

### **Assets, Liabilities and Net Position/Fund Balances**

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

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

*Interfund Receivables and Payables* - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet or statement of net position as interfund receivables and interfund payables.

*Prepaid Expenses* - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

*Inventory* - Inventories are valued at cost, using the first-in, first-out method. The costs of inventories are recorded as expenses when consumed rather than when purchased.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Assets, Liabilities and Net Position/Fund Balances (Continued)

*Capital Assets* - Capital assets, which include land, buildings, equipment, infrastructure, and water and sewer systems owned by the City, are reported in the applicable governmental or business-type activities in the government-wide financial statements and in the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. Infrastructure assets, which include streets, bridges, sidewalks, drainage systems and trails, purchased or constructed prior to January 1, 2004, have not been reported in the financial statements.

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

Buildings and Improvements	40 years
Equipment	5 - 15 years
Infrastructure	10 - 20 years
Water and Sewer Systems	15 - 35 years

*Long-Term Debt* - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Debt premiums, discounts, and losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Compensated Absences* - Employees of the City are allowed to accumulate unused vacation and sick time. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time and, if the employee has completed 5 years of continuous service, will be compensated for 10% of accrued sick time at their final hourly rate. This percentage increases 2% per year of service, to a maximum of 40% of accrued sick time. Effective January 1, 2013, the sick time payout was frozen and no additional amounts accrue.

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

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 1: Summary of Significant Accounting Policies (Continued)

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

*Pensions* - In November 2017, the City began participating in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan, a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from each plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are due.

*Postemployment Benefits Other Than Pensions (OPEB)* - The City contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan is funded by member contributions or contributions made on behalf of members. The City has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the City does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

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

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

### Note 2: Cash and Investments

Cash and investments at December 31, 2020, consisted of the following:

Petty Cash	\$	1,383
Cash Deposits		3,120,406
Investments		10,569,807
Cash Held by Third Party		128,121
		<hr/>
Total	\$	<u>13,819,717</u>

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 2: Cash and Investments (Continued)

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

Cash and Investments	\$ 11,619,998
Restricted Cash and Investments	128,121
Pension Trust Fund Cash and Investments	756,020
Component Unit Cash and Investments	<u>1,315,578</u>
 Total	 <u>\$ 13,819,717</u>

### Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2020, the City had bank deposits of \$2,535,126 collateralized with securities held by the financial institutions' agent but not in the City's name.

### Investments

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. State statutes do not apply to public funds held or invested as part of a pension plan.

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

The City had the following investments at December 31, 2020:

Investment Type	S&P Rating	Investment Maturities (in years)			Total
		Less than 1	1 - 5	More than 5	
Local Government Investment Pools	AAAm	\$ 10,092,751	\$ -	\$ -	\$ 10,092,751
U.S. Agency Securities	NA	<u>143</u>	<u>9,134</u>	<u>467,779</u>	<u>477,056</u>
 Total		 <u>\$ 10,092,894</u>	 <u>\$ 9,134</u>	 <u>\$ 467,779</u>	 <u>\$ 10,569,807</u>

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 2: Cash and Investments (Continued)**

#### **Investments (Continued)**

*Fair Value Measurements* - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2020, the City's investments in U.S. Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The City's investments in the local government investment pools were measured at the net asset value per share.

*Interest Rate Risk* - State statutes generally limit investment securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities. The Government National Mortgage Association (GNMA) securities are held by the Firemen's Pension Plan, and represent 5% of total investments.

*Custodial Credit Risk* - At December 31, 2020, the City's investments in U.S. Agency securities were held by the counterparty (broker), but not in the City's name.

*Local Government Investment Pools* - At December 31, 2020, the City had invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE). The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

#### **Restricted Cash and Investments**

At December 31, 2020, cash and investments of \$128,121, representing lease proceeds restricted for capital projects, were reported in the Capital Improvements Fund.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2020, is summarized below.

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 2,730,128	\$ -	\$ -	\$ 2,730,128
Total Capital Assets, Not Being Depreciated	<u>2,730,128</u>	<u>-</u>	<u>-</u>	<u>2,730,128</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	13,492,772	31,909	-	13,524,681
Equipment	1,648,707	285,317	-	1,934,024
Infrastructure	4,325,371	476,140	-	4,801,511
Total Capital Assets, Being Depreciated	<u>19,466,850</u>	<u>793,366</u>	<u>-</u>	<u>20,260,216</u>
Less: Accumulated Depreciation				
Buildings and Improvements	(664,199)	(342,256)	-	(1,006,455)
Equipment	(1,024,493)	(183,998)	-	(1,208,491)
Infrastructure	(1,163,732)	(238,872)	-	(1,402,604)
Total Accumulated Depreciation	<u>(2,852,424)</u>	<u>(765,126)</u>	<u>-</u>	<u>(3,617,550)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,614,426</u>	<u>28,240</u>	<u>-</u>	<u>16,642,666</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,344,554</u>	<u>\$ 28,240</u>	<u>\$ -</u>	<u>\$ 19,372,794</u>
<b>Business-type Activities</b>				
Capital Assets, Being Depreciated				
Water System	\$ 2,679,030	\$ -	\$ -	\$ 2,679,030
Sewer System	1,525,031	-	-	1,525,031
Total Capital Assets, Being Depreciated	<u>4,204,061</u>	<u>-</u>	<u>-</u>	<u>4,204,061</u>
Less: Accumulated Depreciation				
Water System	(1,377,590)	(93,878)	-	(1,471,468)
Sewer System	(430,529)	(50,136)	-	(480,665)
Total Accumulated Depreciation	<u>(1,808,119)</u>	<u>(144,014)</u>	<u>-</u>	<u>(1,952,133)</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,395,942</u>	<u>\$ (144,014)</u>	<u>\$ -</u>	<u>\$ 2,251,928</u>
<b>Component Unit</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 134,000	\$ -	\$ -	\$ 134,000
Total Capital Assets, Not Being Depreciated	<u>134,000</u>	<u>-</u>	<u>-</u>	<u>134,000</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	49,000	-	-	49,000
Less Accumulated Depreciation	(4,900)	(4,900)	-	(9,800)
Total Capital Assets, Being Depreciated, Net	<u>44,100</u>	<u>(4,900)</u>	<u>-</u>	<u>39,200</u>
Component Unit Capital Assets, Net	<u>\$ 178,100</u>	<u>\$ (4,900)</u>	<u>\$ -</u>	<u>\$ 173,200</u>

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2020

**Note 3: Capital Assets (Continued)**

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

<b>Governmental Activities</b>	
General Government	\$ 369,334
Public Safety	95,155
Public Works	262,653
Parks and Recreation	37,984
	<hr/>
Total	<u>\$ 765,126</u>

**Note 4: Long-Term Debt**

**Governmental Activities**

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2020.

	Balance 12/31/19	Additions	Payments	Balance 12/31/20	Due Within One Year
<b>Governmental Activities</b>					
2012 Revenue Refunding Bonds	\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -
Premium	11,320	-	11,320	-	-
2017 Capital Lease	9,400,000	-	300,000	9,100,000	495,000
Compensated Absences	105,600	83,179	-	188,779	18,878
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities	<u>\$ 9,886,920</u>	<u>\$ 83,179</u>	<u>\$ 681,320</u>	<u>\$ 9,288,779</u>	<u>\$ 513,878</u>

Sales and Use Tax Revenue Refunding Bonds

\$2,790,000 Sales and Use Tax Revenue Refunding Bonds, Series 2012, were issued to refund the outstanding General Fund Revenue Bonds, Series 2001, originally issued to refund a portion of the Tax Increment Revenue Refunding Bonds (Edgewater Redevelopment Project), Series 1999, originally issued by the Authority. Interest payments were payable semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 3% per annum. Principal payments were due annually on December 1, through 2020. These bonds were payable solely from the City's 3.5% sales and use tax. During the year ended December 31, 2020, revenues of \$6,857,023 were available to pay annual debt service of \$379,250. During the year ended December 31, 2020, the bonds were paid in full.

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2020

**Note 4: Long-Term Debt** (Continued)

**Governmental Activities** (Continued)

Capital Lease

During 2017, the City entered into a capital lease in the amount of \$9,900,000 to finance the construction of a new City Hall and recreation center. The lease agreement requires annual principal payments beginning on December 1, 2018, through 2032. Interest accrues at 2.85% per annum and is payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Building costs of \$12,904,700, net of depreciation of \$672,120, have been reported for this project.

Capital lease payments, to maturity, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 495,000	\$ 255,722	\$ 750,722
2022	510,000	241,513	751,513
2023	575,000	227,056	802,056
2024	645,000	210,669	855,669
2025	720,000	192,286	912,286
2026-2030	4,210,000	625,985	4,835,985
2031-2032	1,945,000	77,342	2,022,342
<b>Total</b>	<b>\$ 9,100,000</b>	<b>\$ 1,830,573</b>	<b>\$ 10,930,573</b>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

**Business-type Activities**

A summary of long-term debt transactions of the business-type activities for the year ended December 31, 2020, follows.

	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>					
Water Loan	\$ 784,191	\$ -	\$ 43,623	\$ 740,568	\$ 44,500
Compensated Absences	4,781	-	4,781	-	-
<b>Total Business-type Activities</b>	<b>\$ 788,972</b>	<b>\$ -</b>	<b>\$ 48,404</b>	<b>\$ 740,568</b>	<b>\$ 44,500</b>

In January 2015, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA). Loan proceeds were used for improvements to the water system. In October 2016, unused loan proceeds were used to pay down the loan balance and the agreement was modified. Semi-annual payments of \$29,545, including principal and interest accruing at 2% per annum, are due on May 1 and November 1, through May 1, 2035.

**City of Edgewater, Colorado**  
Notes to Financial Statements  
December 31, 2020

**Note 4: Long-Term Debt** (Continued)

**Business-type Activities** (Continued)

Annual debt service requirements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 44,500	\$ 14,590	\$ 59,090
2022	45,394	13,696	59,090
2023	46,307	12,783	59,090
2024	47,238	11,852	59,090
2025	48,187	10,903	59,090
2026-2030	255,859	39,591	295,450
2031-2035	253,083	12,822	265,905
Total	<u>\$ 740,568</u>	<u>\$ 116,237</u>	<u>\$ 856,805</u>

**Note 5: Interfund Balances and Transactions**

At December 31, 2020, the Water Fund had loaned \$87,715 to the Sewer Fund to cover a negative cash balance. During the year ended December 31, 2020, the General Fund transferred \$450,000 and \$360,000 to the Capital Improvements and Capital Equipment Funds, respectively, for capital projects and equipment purchases.

**Note 6: Risk Management**

**Public Entity Risk Pool**

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

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

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

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 7: Retirement Commitments**

#### **Employee Pension Plan**

The City contributes to a multiple-employer defined contribution retirement plan on behalf of City employees. All regular full-time employees are eligible to participate in the Plan with the exclusion of sworn police officers. The plan provisions and contribution requirements are established and may be amended by the City Council. The City is required to contribute 4% of each participating employee's compensation, and each participating employee must contribute 4%. After one year of service, employees may contribute an additional 2% of compensation which the City will match. Employees may make additional voluntary contributions according to various plan documents. Employees fully vest in the City's contributions at a rate of 25% for each full twelve months of participation after one year of participation.

During the year ended December 31, 2020, the City contributed \$86,956 to the Plan, equal to the required contributions. The Plan is administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

#### **Police Pension Plans**

##### General Information

*Plan Description* - The City contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the SWH Plan), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA).

The City's police officers began participating in the plans on November 4, 2017. Upon entering the plans, each police officer could elect to participate in either plan. Police officers hired subsequently must participate in the SWDB Plan on the first day of employment.

Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

*Benefits Provided* - A SWDB Plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 7: Retirement Commitments** (Continued)

#### **Police Pension Plans** (Continued)

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

Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

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

A member is eligible for an early retirement at age 50 with at least five years of service, or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest three years' base salary for each year of credited service. In addition, upon termination the vested account balance in the money purchase component becomes available to the member.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement (25 years of service and age 55), early retirement (30 years of service and age 50), or vested retirement (5 years of service and age 55). A member can continue to work while participating in the DROP but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plans' net position.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 7: Retirement Commitments** (Continued)

#### **Police Pension Plans** (Continued)

*Contributions* - The City and eligible employees hired after November 4, 2017, are required to contribute to the SWDB Plan at rates established by State statutes. Through December 31, 2020, employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

The City and eligible employees contributed 8% and 11% of base salary, respectively, for the year ended December 31, 2020. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030, to a total of 13% of base salary.

Contributions from the City and employees entering the SWDB Plan on November 4, 2017 (the reentry group), are established by resolution of the FPPA Board of Directors. Employee contributions may not be less than 8% with the split of contributions between employees and the City determined by the City Council. The City and eligible employees contributed 11% and 12% of base salary, respectively, for the year ended December 31, 2020. The FPPA Board of Directors required member and City contribution rates to increase annually from 2021 through 2030. During 2020, the City Council approved a resolution to allocate this increase between members and the City, with a contribution rate totaling 25.2% of base salary in 2030.

The City's contributions to the SWDB Plan for the year ended December 31, 2020, were \$124,649, equal to the required contributions.

The City and eligible employees are required to contribute to the SWH Plan at rates established by City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. For the year ended December 31, 2020, the City Council established the contribution rate split at 11% of base salary for both the City and employees.

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

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

The City's contributions to the SWH Plan for the year ended December 31, 2020, were \$7,845, equal to the required contributions.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 7: Retirement Commitments (Continued)

#### Police Pension Plans (Continued)

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

At December 31, 2020, the City reported a net pension asset of \$110,179 and \$90,937, representing its proportionate share of the net pension asset of the SWDB and SWH Plans, respectively. The net pension asset was measured at December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2019, relative to the projected contributions of all participating employers.

At December 31, 2020, the City's proportion of the SWDB Plan was 0.19481325%, which was a decrease of 0.00468447% from its proportion measured at December 31, 2019. The City's proportion of the SWH Plan was 0.46696762%, which was an increase of 0.05273202% from its proportion measured at December 31, 2019.

For the year ended December 31, 2020, the City recognized pension expense for the SWDB and SWH Plans of (\$18,155) and (\$17,084), respectively. 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
<b>Statewide Defined Benefit Plan</b>		
Differences between expected and actual experience	\$ 287,702	\$ -
Changes of assumptions	155,231	-
Net difference between projected and actual earnings on plan investments	-	131,251
Changes in proportion	43,431	19,105
Contributions subsequent to the measurement date	124,649	-
Total	\$ 611,013	\$ 150,356
<b>Statewide Hybrid Plan</b>		
Differences between expected and actual experience	\$ 22,439	\$ -
Changes of assumptions	5,143	-
Net difference between projected and actual earnings on plan investments	-	8,532
Changes in proportion	30,024	841
Contributions subsequent to the measurement date	7,845	-
Total	\$ 65,451	\$ 9,373
Total	\$ 676,464	\$ 159,729

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 7: Retirement Commitments (Continued)

#### Police Pension Plans (Continued)

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$124,649 and \$7,845, respectively, will be recognized as an increase or decrease to the net pension asset in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>SWDB Plan</u>	<u>SWH Plan</u>
2021	\$ 15,963	\$ 12,725
2022	72,310	16,289
2023	(776)	11,230
2024	72,916	6,277
2025	72,916	1,712
Thereafter	102,679	-
Total	<u>\$ 336,008</u>	<u>\$ 48,233</u>

*Actuarial Assumptions* - The actuarial valuations as of January 1, 2020, determined the total pension liability using the following actuarial assumptions and other inputs:

Inflation	2.5%
Projected salary increases, including inflation	4.25% - 11.25%
Investment rate of return, net of plan investment expenses, including inflation	7.0%
Cost of living adjustments (COLA)	0.0%

Mortality rates for active members were based on the RP-2014 Mortality Tables for Blue Collar Employees projected to 2018 using the MP-2017 projection scales, and using a 50% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

The current actuarial methods and assumptions were approved by the FPPA Board of Directors in July 2018, for first use in the actuarial valuations beginning January 1, 2019, based upon the actuary's analysis and recommendations.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 7: Retirement Commitments (Continued)

#### Police Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38%	7.00%
Equity Long/Short	8%	6.00%
Private Markets	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	2%	2.52%
Total	<u>100%</u>	

*Discount Rate* - The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In addition, the discount rate did not change from the prior measurement date.

*Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate* - The following presents the City's proportionate share of the net pension asset (liability) calculated using the discount rate of 7%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate, as follows:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Proportionate share of the SWDB net pension asset (liability)	<u>\$ (668,041)</u>	<u>\$ 110,179</u>	<u>\$ 755,610</u>
Proportionate share of the SWH net pension asset	<u>\$ 55,309</u>	<u>\$ 90,937</u>	<u>\$ 120,743</u>

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 7: Retirement Commitments (Continued)

#### Police Pension Plans (Continued)

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

#### Firemen's Pension Plan

Effective January 1, 2013, the City's fire protection services were merged with the Wheat Ridge Fire Protection District, which subsequently merged with the West Metro Fire Protection District. As such, the City no longer employs either paid or volunteer firefighters. However, individuals who previously served the City as volunteer firefighters may be eligible to participate in the Firemen's Pension Plan.

#### General Information

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

*Plan Membership* - At December 31, 2020, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	<u>1</u>
Total	<u>21</u>

*Benefits Provided* - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension of \$300. Surviving spouses receive a monthly benefit of \$150.

*Contributions* - As established by State statutes, the plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. The State of Colorado contributes 90% of the City's contribution. Plan members are not required to contribute to the plan. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2019, indicated that the current level of contributions to the plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, for the present plan. For the year ended December 31, 2020, the City and State contributed \$34,300 and \$22,500, respectively, to the plan.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 7: Retirement Commitments (Continued)

#### Firemen's Pension Plan (Continued)

##### Investments

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

*Rate of Return* - For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of investment expense, was approximately 3.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

##### Net Pension Liability

At December 31, 2020, the City did not report a net pension asset or liability because the amounts were insignificant. The net pension liability was measured at December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. Estimated update procedures were used to roll forward the total pension liability to December 31, 2020.

*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

Investment Rate of Return - 3.5%, net of investment expenses, including inflation

Inflation - 2.5%

Salary Increases - Not Applicable

Mortality - RP-2014 Mortality Table, with fully generational mortality improvement, using Scale MP-2018.

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

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation at December 31, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Fixed Income	90%	3.75%
Cash	10%	2.50%
Total	100%	

## City of Edgewater, Colorado

### Notes to Financial Statements

December 31, 2020

#### Note 7: Retirement Commitments (Continued)

##### Firemen's Pension Plan (Continued)

*Discount Rate* - The discount rate used to measure the total pension liability was 3.5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding practice. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 3.5% was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended December 31, 2020, changes in the net pension liability of the City were as follows.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, Beginning	\$ 807,744	\$ 752,073	\$ (55,671)
Interest	28,255	-	(28,255)
Benefit Payments	(54,608)	(54,608)	-
City Contributions	-	34,300	34,300
State Contributions	-	22,500	22,500
Net Investment Income	-	28,255	28,255
Administrative Expenses	-	(2,500)	(2,500)
	<u>\$ 781,391</u>	<u>\$ 780,020</u>	<u>\$ (1,371)</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following table presents the net pension liability of the City at December 31, 2020, calculated using the discount rate of 3.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.5%) or one percentage point higher (4.5%) than the current rate, as follows:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
City's Net Pension Liability	<u>\$ 3,492</u>	<u>\$ (1,371)</u>	<u>\$ (448)</u>

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

For the year ended December 31, 2020, the City recognized pension expense of \$110,129. Since the plan consists of only retired participants, differences between expected and actual experience and changes in assumptions are recorded as pension expense immediately. The net difference between projected and actual earnings on investments was recorded in pension expense. Because the difference was not significant, it will not be recognized as pension expense over multiple years.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### Note 8: Other Postemployment Benefits

#### Statewide Death & Disability Plan

##### General Information

*Plan Description* - The City contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

*Benefits Provided* - The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children.
- On-duty: 70% of the base salary paid to the member prior to death.

Disability benefits are as follows:

- Total disability: 70% of the base salary preceding disability.
- Permanent occupational disability: 50% of the base salary preceding disability.
- Temporary occupational disability: 40% of the base salary preceding disability for up to 5 years.

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3%. For other annuitants, the increase may reflect CPI, but in no case may be higher than 3%.

Once a member is eligible to retire, all plan benefit obligations cease.

*Contributions* - The contribution requirements are established by State statutes. However, the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate.

Any decision regarding whether the employer or member contribute to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the City Council.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the City contributed 2.8% of base salaries on behalf of the members during the year ended December 31, 2020. Contributions to the plan for the year ended December 31, 2020, were \$34,271, equal to the required contributions.

Based on the 2018 actuarial results, the FPPA Board of Directors increased the contribution rate from 2.7% to 2.8% effective January 1, 2019, through December 31, 2020. Effective January 1, 2021, the contribution rate will increase to 3% of base salaries and may be increased 0.2% annually as determined by the FPPA Board of Directors.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 8: Other Postemployment Benefits** (Continued)

#### **Statewide Death & Disability Plan** (Continued)

##### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the City does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

*OPEB Plan Fiduciary Net Position* - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

### **Note 9: Commitments and Contingencies**

#### **Litigation**

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

#### **Enhanced Sales Tax Incentive Program**

The City has entered into various agreements to increase economic development within City limits.

In 2005, the City agreed to rebate a portion of the sales taxes generated by Target. The agreement terminates at the earlier of September 30, 2027, or upon reaching the cumulative maximum rebate amount of \$10,890,767. During the year ended December 31, 2020, Target earned \$770,896 under this agreement. Payments since inception totaled \$6,669,065 at December 31, 2020.

In 2007, the City entered into an agreement with Sloans Lake Partners LLC, the owner and developer of the Edgewater Marketplace. The agreement required the City to rebate certain sales taxes generated by the Edgewater Marketplace as reimbursement for infrastructure constructed at the Edgewater Marketplace. The agreement terminated at the earlier of May 31, 2020, or upon reaching the cumulative maximum rebate amount of \$1,384,993. During the year ended December 31, 2020, Sloans Lake Partners LLC earned \$52,019 under this agreement, which fulfilled the total amount of the agreement of \$1,384,993.

# City of Edgewater, Colorado

## Notes to Financial Statements

December 31, 2020

### **Note 9: Commitments and Contingencies** (Continued)

#### **Tabor Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of the State and local governments.

On June 24, 2008, voters within the City authorized the City to collect, retain and expend all of the sales and use tax revenues and all revenues generated by the City, subject only to those limitations previously approved by the voters, notwithstanding any limitation contained in the Amendment or any other law. The City's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

In accordance with the Amendment, the City has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2020, the reserve was reported as restricted fund balance in the General Fund in the amount of \$289,000.

## **Required Supplementary Information**

**City of Edgewater, Colorado**  
 Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Asset (Liability)  
 and Contributions  
 Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan  
 December 31, 2020

	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
<b>Proportionate Share of the Net Pension Asset (Liability)</b>			
City's Proportion of the Net Pension Asset (Liability)	0.19481325%	0.19949772%	0.20586880%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 110,179	\$ (252,220)	\$ 296,175
City's Covered Payroll	\$ 1,119,549	\$ 1,019,723	\$ 109,778
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	10%	(25%)	270%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102%	95%	106%
	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
<b>City Contributions</b>			
Statutorily Required Contribution	\$ 124,649	\$ 114,867	\$ 106,908
Contributions in Relation to the Statutorily Required Contribution	<u>124,649</u>	<u>114,867</u>	<u>106,908</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,246,572	\$ 1,119,549	\$ 1,019,723
Contributions as a Percentage of Covered Payroll	10.00%	10.26%	10.48%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Asset (Liability)  
 and Contributions  
 Fire & Police Pension Association of Colorado Statewide Hybrid Plan  
 December 31, 2020

	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
<b>Proportionate Share of the Net Pension Asset (Liability)</b>			
City's Proportion of the Net Pension Asset (Liability)	0.46696762%	0.41423560%	0.41967838%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 90,937	\$ 57,179	\$ 82,059
City's Covered Payroll	\$ 67,750	\$ 60,019	\$ 6,730
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	134%	95%	1219%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	130%	123%	139%
	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
<b>City Contributions</b>			
Statutorily Required Contribution	\$ 7,845	\$ 7,452	\$ 6,602
Contributions in Relation to the Statutorily Required Contribution	<u>7,845</u>	<u>7,452</u>	<u>6,602</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 71,318	\$ 67,750	\$ 60,019
Contributions as a Percentage of Covered Payroll	11.00%	11.00%	11.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
and Contributions  
Firemen's Pension Plan  
December 31, 2020

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Interest	\$ 28,255	\$ 28,363	\$ 30,592	\$ 31,806	\$ 41,683	\$ 43,009	\$ 50,939
Differences Between Expected and Actual Experience	-	-	(30,521)	-	(13,652)	-	(119,098)
Changes of Assumptions	-	-	-	-	115,019	-	115,136
Benefit Payments	(54,608)	(61,958)	(65,558)	(67,435)	(68,490)	(70,590)	(74,790)
 Net Change in Total Pension Liability	 (26,353)	 (33,595)	 (65,487)	 (35,629)	 74,560	 (27,581)	 (27,813)
Total Pension Liability, Beginning	807,744	841,339	906,826	942,455	867,895	895,476	923,289
Total Pension Liability, Ending	<u>\$ 781,391</u>	<u>\$ 807,744</u>	<u>\$ 841,339</u>	<u>\$ 906,826</u>	<u>\$ 942,455</u>	<u>\$ 867,895</u>	<u>\$ 895,476</u>
<b>Plan Fiduciary Net Position</b>							
Employer Contributions	\$ 34,300	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
State of Colorado Contributions	22,500	22,500	22,500	22,500	19,535	19,536	18,658
Net Investment Income	28,255	44,935	7,590	24,885	949	23,271	20,378
Benefit Payments	(54,608)	(61,958)	(65,558)	(67,435)	(68,490)	(70,590)	(74,790)
Administrative Expenses	(2,500)	(11,200)	-	-	-	(4,200)	-
 Net Change in Plan Fiduciary Net Position	 27,947	 19,277	 (10,468)	 4,950	 (23,006)	 (6,983)	 (10,754)
Plan Fiduciary Net Position, Beginning	752,073	732,796	743,264	738,314	761,320	768,303	779,057
Plan Fiduciary Net Position, Ending	<u>\$ 780,020</u>	<u>\$ 752,073</u>	<u>\$ 732,796</u>	<u>\$ 743,264</u>	<u>\$ 738,314</u>	<u>\$ 761,320</u>	<u>\$ 768,303</u>
<b>City's Net Pension Asset (Liability)</b>	<u>\$ (1,371)</u>	<u>\$ (55,671)</u>	<u>\$ (108,543)</u>	<u>\$ (163,562)</u>	<u>\$ (204,141)</u>	<u>\$ (106,575)</u>	<u>\$ (127,173)</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 100%	 93%	 87%	 82%	 78%	 88%	 86%
<b>Investment Returns</b>							
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.74%	6.18%	1.03%	4.05%	0.13%	2.54%	2.69%
<b>City Contributions</b>							
Actuarially Determined Contribution	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Contributions in Relation to the Actuarially Determined Contribution	(34,300)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Contribution Deficiency (Excess)	<u>\$ (9,300)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 6,338,183	\$ 6,338,183	\$ 7,110,176	\$ 771,993
Licenses and Permits	230,000	230,000	367,635	137,635
Intergovernmental	638,300	1,059,254	991,746	(67,508)
Charges for Services	776,896	776,896	724,960	(51,936)
Fines and Forfeitures	55,000	55,000	4,375	(50,625)
Investment Income	135,000	135,000	80,384	(54,616)
Miscellaneous	-	-	80,557	80,557
	<u>8,173,379</u>	<u>8,594,333</u>	<u>9,359,833</u>	<u>765,500</u>
<b>Total Revenues</b>				
<b>Expenditures</b>				
Current				
General Government	3,189,436	3,610,390	3,050,631	559,759
Public Safety	2,425,618	2,425,618	2,493,051	(67,433)
Public Works	799,179	799,179	949,539	(150,360)
Parks and Recreation	447,020	447,020	422,717	24,303
Capital Outlay	-	-	10,461	(10,461)
Debt Service				
Principal	380,000	380,000	370,000	10,000
Interest and Fiscal Charges	-	-	9,250	(9,250)
	<u>7,241,253</u>	<u>7,662,207</u>	<u>7,305,649</u>	<u>356,558</u>
<b>Total Expenditures</b>				
Excess of Revenues Over (Under) Expenditures	932,126	932,126	2,054,184	1,122,058
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(810,000)	(810,000)	(810,000)	-
	<u>122,126</u>	<u>122,126</u>	<u>1,244,184</u>	<u>1,122,058</u>
<b>Net Change in Fund Balance</b>				
<b>Fund Balance, Beginning</b>	<u>5,065,828</u>	<u>5,065,828</u>	<u>5,128,764</u>	<u>62,936</u>
<b>Fund Balance, Ending</b>	<u>\$ 5,187,954</u>	<u>\$ 5,187,954</u>	<u>\$ 6,372,948</u>	<u>\$ 1,184,994</u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Open Space Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 195,000	\$ 199,245	\$ 4,245
Investment Income	7,000	-	(7,000)
Total Revenues	<u>202,000</u>	<u>199,245</u>	<u>(2,755)</u>
<b>Expenditures</b>			
Parks and Recreation	<u>421,837</u>	<u>316,247</u>	<u>105,590</u>
Total Expenditures	<u>421,837</u>	<u>316,247</u>	<u>105,590</u>
<b>Net Change in Fund Balance</b>	(219,837)	(117,002)	102,835
<b>Fund Balance, Beginning</b>	<u>784,575</u>	<u>799,910</u>	<u>15,335</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 564,738</u></u>	<u><u>\$ 682,908</u></u>	<u><u>\$ 118,170</u></u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
Notes to Required Supplementary Information  
December 31, 2020

**Note 1: Firemen’s Pension Plan**

**Contributions**

The City and the State of Colorado made contributions of \$34,300 and \$22,500, respectively, to the Firemen’s Pension Plan during the year ended December 31, 2020. The plan members consist only of volunteer firefighters and, therefore, employee payroll information is not applicable.

**Actuarial Assumptions**

Significant actuarial methods and assumptions used to determine the contribution rates for the Firemen’s Pension Plan are as follows:

Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level annual payments
Remaining Amortization Period	20 years
Asset Valuation Method	Fair Value
Investment Return	3.5%, net of investment expenses, compounded annually
Inflation Rate	2.5%
Retirement Age	50 Years
Mortality	RP-2014 Mortality Table, with fully generational mortality improvement, using Scale MP-2018

**Note 2: Stewardship, Compliance, and Accountability**

**Budgets and Budgetary Accounting**

Budgets are legally adopted for all funds of the City, except the pension trust fund. Budgets are presented on a basis consistent with generally accepted accounting principles except for the enterprise funds which budget using a non-GAAP basis, whereby capital outlay is budgeted as an expenditure but depreciation is not budgeted. Budgets for the Edgewater Redevelopment Authority are adopted by the Authority’s governing board.

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

- Management submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- City management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at year end.

For the year ended December 31, 2020, the Water, Sewer and Trash Fund expenditures exceeded the amounts budgeted by \$516,891, \$75,326 and \$10,475, respectively, because of unexpected water line replacements, additional sewer customers, and increased inspection fees.

## **Supplementary Information**

**City of Edgewater, Colorado**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	Conservation Trust	Capital Equipment	Totals
<b>Assets</b>			
Cash and Investments	\$ 198,338	\$ 103,299	\$ 301,637
Total Assets	\$ 198,338	\$ 103,299	\$ 301,637
<b>Liabilities</b>			
Accounts Payable	\$ 13,493	\$ 1,258	\$ 14,751
Total Liabilities	13,493	1,258	14,751
<b>Fund Balances</b>			
Restricted for Parks and Open Space	184,845	-	184,845
Assigned to Capital Outlay	-	102,041	102,041
Total Fund Balances	184,845	102,041	286,886
Total Liabilities and Fund Balances	\$ 198,338	\$ 103,299	\$ 301,637

See the accompanying Independent Auditors' Report.

## City of Edgewater, Colorado

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds Year Ended December 31, 2020

	Conservation Trust	Capital Equipment	Totals
<b>Revenues</b>			
Intergovernmental	\$ 55,364	\$ -	\$ 55,364
Miscellaneous	-	997	997
	55,364	997	56,361
<b>Expenditures</b>			
Current			
General Government	-	72,473	72,473
Public Safety	-	23,515	23,515
Public Works	-	1,152	1,152
Parks and Recreation	65,475	-	65,475
Capital Outlay	-	245,774	245,774
	65,475	342,914	408,389
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(10,111)	(341,917)	(352,028)
<b>Other Financing Sources</b>			
Transfers In	-	360,000	360,000
	-	360,000	360,000
<b>Net Change in Fund Balances</b>	(10,111)	18,083	7,972
<b>Fund Balances, Beginning</b>	194,956	83,958	278,914
<b>Fund Balances, Ending</b>	\$ 184,845	\$ 102,041	\$ 286,886

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 58,000	\$ 55,364	\$ (2,636)
Miscellaneous	200,000	-	(200,000)
Total Revenues	<u>258,000</u>	<u>55,364</u>	<u>(202,636)</u>
<b>Expenditures</b>			
Parks and Recreation	206,500	65,475	141,025
Total Expenditures	<u>206,500</u>	<u>65,475</u>	<u>141,025</u>
<b>Net Change in Fund Balance</b>	51,500	(10,111)	(61,611)
<b>Fund Balance, Beginning</b>	<u>184,162</u>	<u>194,956</u>	<u>10,794</u>
<b>Fund Balance, Ending</b>	<u>\$ 235,662</u>	<u>\$ 184,845</u>	<u>\$ (50,817)</u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Capital Equipment Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$ -	\$ 997	\$ 997
Total Revenues	<u>-</u>	<u>997</u>	<u>997</u>
<b>Expenditures</b>			
Current			
General Government	10,000	72,473	(62,473)
Public Safety	10,000	23,515	(13,515)
Public Works	5,000	1,152	3,848
Capital Outlay	347,400	245,774	101,626
Total Expenditures	<u>372,400</u>	<u>342,914</u>	<u>29,486</u>
Excess of Revenues Over (Under) Expenditures	<u>(372,400)</u>	<u>(341,917)</u>	<u>30,483</u>
<b>Other Financing Sources</b>			
Proceeds from Sale of Capital Assets	15,000	-	(15,000)
Transfers In	360,000	360,000	-
Total Other Financing Sources	<u>375,000</u>	<u>360,000</u>	<u>(15,000)</u>
<b>Net Change in Fund Balance</b>	2,600	18,083	15,483
<b>Fund Balance, Beginning</b>	<u>63,587</u>	<u>83,958</u>	<u>20,371</u>
<b>Fund Balance, Ending</b>	<u>\$ 66,187</u>	<u>\$ 102,041</u>	<u>\$ 35,854</u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Capital Improvements Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 1,500,000	\$ 1,337,500	\$ (162,500)
Total Revenues	<u>1,500,000</u>	<u>1,337,500</u>	<u>(162,500)</u>
<b>Expenditures</b>			
Public Works	295,000	207,768	87,232
Capital Outlay	1,007,288	537,131	470,157
Debt Service			
Principal	642,900	300,000	342,900
Interest and Fiscal Charges	<u>-</u>	<u>264,249</u>	<u>(264,249)</u>
Total Expenditures	<u>1,945,188</u>	<u>1,309,148</u>	<u>636,040</u>
Excess of Revenues Over (Under) Expenditures	<u>(445,188)</u>	<u>28,352</u>	<u>473,540</u>
<b>Other Financing Sources</b>			
Transfers In	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>450,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	4,812	478,352	473,540
<b>Fund Balance, Beginning</b>	<u>4,161,060</u>	<u>3,659,122</u>	<u>(501,938)</u>
<b>Fund Balance, Ending</b>	<u>\$ 4,165,872</u>	<u>\$ 4,137,474</u>	<u>\$ (28,398)</u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Water Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 1,234,017	\$ 1,142,914	\$ (91,103)
Investment Income	5,000	-	(5,000)
Miscellaneous	5,000	79,682	74,682
Total Revenues	1,244,017	1,222,596	(21,421)
<b>Expenditures</b>			
Service Operating Expenses	1,139,706	1,752,153	(612,447)
Capital Outlay	82,500	-	82,500
Debt Service	72,000	58,944	13,056
Total Expenditures	1,294,206	1,811,097	(516,891)
<b>Change in Net Position, Budgetary Basis</b>	<b>\$ (50,189)</b>	<b>(588,501)</b>	<b>\$ (538,312)</b>
<b>Reconciliation to GAAP Basis</b>			
Depreciation		(93,878)	
Debt Principal		43,623	
<b>Change in Net Position, GAAP Basis</b>		<b>\$ (638,756)</b>	

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Sewer Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 412,631	\$ 388,300	\$ (24,331)
Investment Income	2,000	-	(2,000)
Connection Fees	5,000	34,464	29,464
Total Revenues	419,631	422,764	3,133
<b>Expenditures</b>			
Service Operating Expenses	522,664	597,990	(75,326)
Total Expenditures	522,664	597,990	(75,326)
<b>Change in Net Position, Budgetary Basis</b>	<b>\$ (103,033)</b>	<b>(175,226)</b>	<b>\$ (72,193)</b>
<b>Reconciliation to GAAP Basis</b>			
Depreciation		(50,136)	
<b>Change in Net Position, GAAP Basis</b>		<b>\$ (225,362)</b>	

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Trash Fund  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 271,270	\$ 282,027	\$ 10,757
Investment Income	500	-	(500)
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>271,770</u>	<u>282,027</u>	<u>10,257</u>
<b>Expenditures</b>			
Service Operating Expenses	<u>259,256</u>	<u>269,731</u>	<u>(10,475)</u>
<b>Total Expenses</b>	<u>259,256</u>	<u>269,731</u>	<u>(10,475)</u>
<b>Change in Net Position, Budgetary Basis</b>	12,514	12,296	(218)
<b>Net Position, Beginning</b>	<u>77,422</u>	<u>93,730</u>	<u>16,308</u>
<b>Net Position, Ending</b>	<u><u>\$ 89,936</u></u>	<u><u>\$ 106,026</u></u>	<u><u>\$ 16,090</u></u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Balance Sheet  
 Component Unit  
 December 31, 2020

	<u>Edgewater Redevelopment Authority</u>
<b>Assets</b>	
Cash and Investments	\$ 1,315,578
Accounts Receivable	119
Taxes Receivable	<u>341,666</u>
Total Assets	<u>\$ 1,657,363</u>
<b>Liabilities</b>	
Accounts Payable	<u>\$ 3,216</u>
Total Liabilities	<u>3,216</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	<u>341,666</u>
<b>Fund Balance</b>	
Unrestricted, Unassigned	<u>1,312,481</u>
Total Fund Balance	<u>1,312,481</u>
Total Liabilities and Fund Balance	<u>\$ 1,657,363</u>
 <b>Amounts Reported for the Component Unit in the Statement of Net Position are Different Because:</b>	
Total Fund Balance of Component Unit	\$ 1,312,481
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	<u>173,200</u>
Total Net Position of Component Unit	<u>\$ 1,485,681</u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Component Unit  
Year Ended December 31, 2020

	<u>Edgewater Redevelopment Authority</u>
<b>Revenues</b>	
Property Tax Increment	\$ 174,299
Total Revenues	<u>174,299</u>
<b>Expenditures</b>	
General Government	<u>87,796</u>
Total Expenditures	<u>87,796</u>
<b>Net Change in Fund Balance</b>	86,503
<b>Fund Balance, Beginning</b>	<u>1,225,978</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 1,312,481</u></u>

**Amounts Reported for the Component Unit in the Statement of Activities are Different Because:**

Net Change in Fund Balance of Component Unit	\$ 86,503
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 and reported as depreciation expense.	
Depreciation Expense	<u>(4,900)</u>
Change in Net Position of Component Unit	<u><u>\$ 81,603</u></u>

See the accompanying Independent Auditors' Report.

**City of Edgewater, Colorado**  
 Budgetary Comparison Schedule  
 Component Unit - Edgewater Redevelopment Authority  
 Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Tax Increment	\$ 68,000	\$ 174,299	\$ 106,299
Investment Income	12,000	-	(12,000)
Total Revenues	<u>80,000</u>	<u>174,299</u>	<u>94,299</u>
<b>Expenditures</b>			
General Government	<u>638,100</u>	<u>87,796</u>	<u>550,304</u>
Total Expenditures	<u>638,100</u>	<u>87,796</u>	<u>550,304</u>
<b>Net Change in Fund Balance</b>	(558,100)	86,503	644,603
<b>Fund Balance, Beginning</b>	<u>1,374,620</u>	<u>1,225,978</u>	<u>(148,642)</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 816,520</u></u>	<u><u>\$ 1,312,481</u></u>	<u><u>\$ 495,961</u></u>

See the accompanying Independent Auditors' Report.

## **State Compliance**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Edgewater
		YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _) City of Edgewater	Prepared By: Phone:	Nichole Kirkpatrick (720)763-3041

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	177,449
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	331,011
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	144,463
2. General fund appropriations	1,346,446	b. Snow and ice removal	18,550
3. Other local imposts (from page 2)	0	c. Other	0
4. Miscellaneous local receipts (from page 2)	63,604	d. Total (a. through c.)	163,013
5. Transfers from toll facilities	0	4. General administration & miscellaneous	36,779
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	816,067
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,524,319
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,410,050	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	114,269	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	1,524,319	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,524,319

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,524,319	1,524,319		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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	29,512
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	0	h. Other County Road and Bridge	34,092
c. Total (a. + b.)	0	i. Total (a. through h.)	63,604
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	99,156	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	15,113	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	15,113	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	114,269	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	177,449	177,449
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	177,449	177,449
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	177,449	177,449
			(Carry forward to page 1)

Notes and Comments: