City of Lamar
Lamar, Colorado

Financial Statements
with
Independent Auditor's Report

For the Year Ended
December 31, 2020

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FINANCIAL SECTION

Independent Auditor's Report

Members of City Council
City of Lamar, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information 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.

Management has elected to omit the management's discussion and analysis which is required by the Governmental Accounting Standards Board. The omission of this information does not affect our opinion.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual major and nonmajor fund financial statements including budget to actual, the local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

rfarmer, llc

June 15, 2020

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the City's operations. These financial statements present the financial position, operating results, and cash flows where applicable, of all funds and activities as of December 31, 2020.

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	$ 7,955,925	$ 13,419,058	$ 21,374,983
Receivables	1,380,270	1,987,961	3,368,231
Internal Balances	477,984	(477,984)	-
Due from Other Governmental Agencies	46,251	-	46,251
Inventories	-	977,993	977,993
Other assets	-	22	22
Capital Assets:			
Capital Assets not being Depreciated	1,894,837	5,105,434	7,000,271
Capital Assets being Depreciated	30,450,078	59,509,334	89,959,412
Less: Accumulated Depreciation	(17,182,941)	(34,444,158)	(51,627,099)
Net Pension Asset	1,496,150	-	1,496,150
Total Capital Assets	16,658,124	30,170,610	46,828,734
Total Assets	26,518,554	46,077,660	72,596,214
DEFERRED OUTFLOWS OF RESOURCES			
Net Deferred Outflows Pensions	161,568	1,014,068	1,175,636
Net Deferred Outflows OPEB	-	22,091	22,091
Total Deferred Outflows	161,568	1,036,159	1,197,727
Total Assets and Deferred Outflows	26,680,122	47,113,819	73,793,941
LIABILITIES			
Accounts payable and accrued expenses	423,792	1,270,031	1,693,823
Due to other governmental agencies	4,675	-	4,675
Customer deposits	-	372,945	372,945
Long-term liabilities			
Due within one year			
Bonds, capital leases and contracts	(24,247)	1,077,781	1,053,534
Accrued interest payable	34,264	40,785	75,049
Compensated Absences	91,671	60,753	152,424
Net pension liability	-	2,009,295	2,009,295
Due in more than one year			
Bonds, capital leases and contracts	1,154,992	6,626,435	7,781,427
Compensated absences	366,682	337,248	703,930
Landfill closure costs	-	323,913	323,913
Total liabilities	2,051,829	12,119,186	14,171,015
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	454,863	-	454,863
Deferred Inflows of Pensions	184,753	1,398,258	1,583,011
Deferred Inflows of OPEB	-	42,493	42,493
Total Deferred Inflows	639,616	1,440,751	2,080,367
NET POSITION			
Net Investment in Capital Assets	13,221,567	19,427,737	32,649,304
Restricted	246,719	-	246,719
Unrestricted	10,520,391	14,126,145	24,646,536
Total Net Position	$ 23,988,677	$ 33,553,882	$ 57,542,559

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

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

		Program Revenue			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government							
Governmental Activities							
General Government	$ 2,790,905	$ 432,684	$ 36,103	$ -	$ (2,322,118)	$ -	$ (2,322,118)
Public Safety	2,916,149	62,840	734,869	-	(2,118,440)	-	(2,118,440)
Public Works	1,714,683	59,111	1,050,667	-	(604,905)	-	(604,905)
Cemetery	355,518	59,097	-	-	(296,421)	-	(296,421)
Culture and Recreation	1,886,060	161,998	153,078	-	(1,570,984)	-	(1,570,984)
Total governmental activities	9,663,315	775,730	1,974,717	-	(6,912,868)	-	(6,912,868)
Business-type activities:							
Utility	13,320,591	15,515,847	-	-	-	2,195,256	2,195,256
Water	1,916,350	3,221,996	2,230	440,238	-	1,748,114	1,748,114
Sanitation	1,048,854	1,598,432	-	-	-	549,578	549,578
Ambulance	525,003	327,624	126,090	-	-	(71,289)	(71,289)
Total business-type activities	16,810,798	20,663,899	128,320	440,238	-	4,421,659	4,421,659
Total primary government	$ 26,474,113	$ 21,439,629	$ 2,103,037	$ 440,238	(6,912,868)	4,421,659	(2,491,209)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					614,731	-	614,731
Cigarette tax					11,334	-	11,334
Sales & SO tax					4,438,540	-	4,438,540
Unrestricted investment earnings					15,016	41,366	56,382
Miscellaneous					769,847	315,122	1,084,969
Transfers					2,610,199	(2,610,199)	-
Total general revenues, special items, and transfers					8,459,667	(2,253,711)	6,205,956
Change in net assets					1,546,799	2,167,948	3,714,747
Net position - beginning					22,441,471	31,385,934	53,827,405
Net position - ending					$ 23,988,677	$ 33,553,882	$ 57,542,559

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

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

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,872,162	$ 802,900	$ 1,280,860	$ 7,955,922
Taxes receivable, net	454,863	-	-	454,863
Due from other funds	620,472	-	8	620,480
Receivable from other governments	-	-	46,251	46,251
Other receivables	196,008	117,352	612,046	925,406
Total assets	7,143,505	920,252	1,939,165	10,002,922
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	172,375	135,251	26,344	333,970
Due to other funds	55,276	61,760	25,461	142,497
Deferred revenue	454,863	-	-	454,863
Accrued salaries and benefits	87,371	-	7,125	94,496
Total liabilities	769,885	197,011	58,930	1,025,826
Fund balances:				
Committed	-	723,241	1,903,445	2,626,686
Restricted	246,719	-	-	246,719
Unassigned	6,126,901	-	-	6,126,901
Unreserved, reported in non-major:				
Special revenue funds	-	-	(23,210)	(23,210)
Total fund balances	6,373,620	723,241	1,880,235	8,977,096
Total liabilities and fund balances	$ 7,143,505	$ 920,252	$ 1,939,165	$ 10,002,922

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

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

Total fund balance, governmental funds	$	8,977,096
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		16,819,692
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(1,808,115)
Rounding		4
Net Position of Governmental Activities in the Statement of Net Position	$	23,988,677

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

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

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 459,127	$ -	$ 179,445	$ 638,572
Specific Ownership tax	69,750	-	-	69,750
Sales taxes	-	-	4,368,791	4,368,791
Fees and fines	48,142	-	4,664	52,806
Licenses and permits	174,522	-	16,505	191,027
Intergovernmental	844,711	1,080,944	408,698	2,334,353
Charges for services	485,241	-	19,483	504,724
Investment earnings	10,296	1,739	2,980	15,015
Miscellaneous	52,338	5,274	17,028	74,640
Donations	640	-	-	640
Total revenues	2,144,767	1,087,957	5,017,594	8,250,318
EXPENDITURES				
Current:				
General government	1,995,048	-	174,941	2,169,989
Public safety	2,049,024	141,304	503,383	2,693,711
Public works	1,361,900	126,502	-	1,488,402
Cemetery	2,009,328	-	-	2,009,328
Culture and recreation	-	37,039	24,315	61,354
Debt Service:	405,235	-	-	405,235
Capital Outlay	86,686	767,397	33,564	887,647
Total Expenditures	7,907,221	1,072,242	736,203	9,715,666
Excess (deficiency) of revenues over expenditures	(5,762,454)	15,715	4,281,391	(1,465,348)
OTHER FINANCING SOURCES (USES)				
Proceeds from other financing sources	68,988	-	-	68,988
Transfers in	6,691,767	-	195,000	6,886,767
Transfers out	(221,846)	-	(4,054,722)	(4,276,568)
Total other financing sources and uses	6,538,909	-	(3,859,722)	2,679,187
Net change in fund balances	776,455	15,715	421,669	1,213,839
Fund balances - beginning	5,597,165	707,526	1,458,566	7,763,257
Fund balances - ending	$ 6,373,620	$ 723,241	$ 1,880,235	$ 8,977,096

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

City of Lamar, Colorado

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

Net change in fund balances - total governmental funds:	$	1,213,839
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of $887,647 exceeded depreciation of $906,849 in the current period.		(19,202)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		15,910
Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.		336,247
Rounding		5
Change in net position of governmental activities	$	1,546,799

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

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

	Enterprise Funds				
	Utility Fund	**Water**	**Sanitation**	**Ambulance**	**Total**
ASSETS					
Current assets:					
Cash and cash equivalents	$ 10,637,840	$ 1,169,879	$ 1,555,796	$ 55,545	$ 13,419,060
Accounts Receivable, net	1,327,433	199,293	132,849	83,565	1,743,140
Due from other funds	1,033	-	55,276	-	56,309
Other receivables	131,760	79,472	37,243	(3,654)	244,821
Inventories	895,563	82,429	-	-	977,992
Prepaid Expenses	-	-	-	22	22
Total current assets	12,993,629	1,531,073	1,781,164	135,478	16,441,344
Non-current assets:					
Capital Assets:					
Land and right of ways	668,327	103,335	18,000	-	789,662
Capital assets being depreciated	34,084,106	20,914,972	3,113,568	1,396,688	59,509,334
Construction in Progress	-	2,724,555	-	-	2,724,555
Intangibles and water rights	-	1,591,216	-	-	1,591,216
Less Accumulated depreciation	(22,358,155)	(9,040,672)	(2,201,696)	(843,635)	(34,444,158)
Total non-current assets	12,394,278	16,293,406	929,872	553,053	30,170,609
Total assets	25,387,907	17,824,479	2,711,036	688,531	46,611,953
DEFERRED OUTFLOWS OF RESOURCES					
Net Deferred Outflows Pensions	1,014,068	-	-	-	1,014,068
Net Deferred Outflows OPEB	22,091	-	-	-	22,091
Total Deferred Outflows	1,036,159	-	-	-	1,036,159
Total assets and deferred outflows	26,424,066	17,824,479	2,711,036	688,531	47,648,112
LIABILITIES					
Current Liabilities:					
Accounts payable	1,126,791	52,142	17,043	7,843	1,203,819
Salaries payable	41,366	10,641	8,267	4,344	64,618
Accrued interest payable	22,264	18,521	-	-	40,785
Due to other funds	7,903	31,788	27,910	466,692	534,293
Other accrued expenses	(12,971)	(16,263)	30,825	-	1,591
Compensated absences	60,753	16,764	6,936	3,855	88,308
Customer deposits	299,520	73,425	-	-	372,945
Bonds, notes and loans payable	374,817	702,964	-	-	1,077,781
Total current liabilities	1,920,443	889,982	90,981	482,734	3,384,140
Non-current liabilities:					
Compensated absences	208,833	74,064	28,143	15,418	326,458
Net pension liability	2,009,295	-	-	-	2,009,295
Landfill closure costs	-	-	323,913	-	323,913
Bonds, notes and loans payable	753,311	5,856,360	-	-	6,609,671
Total non-current liabilities	2,971,439	5,930,424	352,056	15,418	9,269,337
Total liabilities	4,891,882	6,820,406	443,037	498,152	12,653,477
DEFERRED INFLOWS OF RESOURCES					
Net Deferred Inflows Pensions	1,398,258	-	-	-	1,398,258
Net Deferred Inflows OPEB	42,493	-	-	-	42,493
Total Deferred Inflows	1,440,751	-	-	-	1,440,751
Net Position					
Net investment in capital assets	10,865,080	7,240,233	978,969	343,455	19,427,737
Unrestricted	9,226,353	3,763,839	1,289,029	(153,076)	14,126,145
Total Net Position	$ 20,091,433	$ 11,004,072	$ 2,267,998	$ 190,379	$ 33,553,882

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

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

	Enterprise Funds				
	Utility Fund	Water	Sanitation	Ambulance	Total
REVENUES					
Charges for services	$ 14,824,427	$ 3,293,303	$ 1,598,432	$ 327,624	$ 20,043,786
Miscellaneous	-	16,032	-	-	16,032
Total operating revenues	14,824,427	3,309,335	1,598,432	327,624	20,059,818
OPERATING EXPENSES					
Personal services	924,538	657,004	509,888	302,865	2,394,295
Contractual services	-	26,239	-	-	26,239
Power and water purchased	9,439,627	272,005	-	-	9,711,632
Utilities	-	5,267	10,033	44	15,344
Repairs and maintenance	1,579,590	55,208	253,490	33,776	1,922,064
Other supplies and expenses	163,544	333,319	170,538	95,766	763,167
Insurance claims and expenses	287,122	67,343	21,574	22,162	398,201
Depreciation	790,905	428,499	83,370	70,293	1,373,067
Total Operating Expenses	13,185,326	1,844,884	1,048,893	524,906	16,604,009
Operating income (loss)	1,639,101	1,464,451	549,539	(197,282)	3,455,809
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	35,124	3,783	2,436	22	41,365
Miscellaneous revenue	691,460	5,989	27,343	251,084	975,876
Operating grants and contributions	-	440,238	-	126,090	566,328
Interest expense	(36,390)	(108,911)	-	-	(145,301)
Miscellaneous expenses	(123,961)	(16,873)	-	(97)	(140,931)
Total non-operating revenue (expenses)	566,233	324,226	29,779	377,099	1,297,337
Income (loss) before contributions and transfers	2,205,334	1,788,677	579,318	179,817	4,753,146
Transfers in	-	-	-	26,846	26,846
Transfers out	(1,923,448)	(402,951)	(310,646)	-	(2,637,045)
Special item - gain (loss) on sale of assets	25,000	-	-	-	25,000
Change in Net Position	306,886	1,385,726	268,672	206,663	2,167,947
Total Net Position - beginning	19,784,547	9,618,346	1,999,326	(16,284)	31,385,935
Total Net Position - ending	$ 20,091,433	$ 11,004,072	$ 2,267,998	$ 190,379	$ 33,553,882

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

City of Lamar, Colorado
Statement of Cash Flows
Business-Type Activities
For the year ended December 31, 2020

	Business-type Activities- Enterprise Fund				
	Utility	**Water**	**Sanitation**	**Ambulance**	**Totals**
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Charges for Services	$ 14,883,840	$ 3,257,847	$ 1,563,962	$ 282,705	$ 19,988,354
Cash Received from Miscellaneous Operating Revenues	-	16,032	-	-	16,032
Net Change in Deferred Inflows and Outflows	(123,826)	-	-	-	(123,826)
Cash Payments to Suppliers for Goods & Services	(11,458,310)	(745,955)	(462,264)	(143,749)	(12,810,278)
Cash Payments for Salaries & Benefits	(924,538)	(657,004)	(509,888)	(302,865)	(2,394,295)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,377,166	1,870,920	591,810	(163,909)	4,675,987
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Customer Deposits Increase (Decrease)	(8,219)	2,918	-	-	(5,301)
Increase (Decrease) in Due to other Funds	1,359	31,223	23,924	37,590	
Transfer In	-	-	-	26,846	26,846
Transfer Out	(1,923,448)	(402,951)	(310,646)	-	(2,637,045)
Miscellaneous Cash Receipts(Disbursements)	567,499	429,354	27,343	377,077	1,401,273
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(1,362,809)	60,544	(259,379)	441,513	(1,214,227)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:					
Current Portion of Long Term Debt Paid	(370,419)	(702,964)	-	-	(1,073,383)
Interest Paid on Long-Term Debt & Customer Deposits	(36,390)	(108,911)	-	-	(145,301)
Purchase of Equipment	(883,724)	(2,217,428)	(70,368)	(279,891)	(3,451,411)
Cash Received from Sale of Assets	25,000	-	-	-	25,000
NET CASH (USED) FOR CAPITAL				-	
AND RELATED FINANCING ACTIVITIES	(1,265,533)	(3,029,303)	(70,368)	(279,891)	(4,645,095)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Received on Investments	35,124	3,783	2,436	22	41,365
NET CASH PROVIDED BY INVESTING ACTIVITIES	35,124	3,783	2,436	22	41,365
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(216,052)	(1,094,056)	264,499	(2,265)	(1,047,874)
Cash & Cash Equivalents:					
Beginning of Year	10,853,892	2,263,935	1,291,297	57,810	14,466,934
End of Year	$ 10,637,840	$ 1,169,879	$ 1,555,796	$ 55,545	$ 13,419,060

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

City of Lamar, Colorado
Statement of Cash Flows
Business-Type Activities
for the year ended December 31, 2020
(Continued)

	Business-type Activities- Enterprise Fund				
	Utility	Water	Sanitation	Ambulance	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	$ 1,639,101	$ 1,464,451	$ 549,539	$ (197,282)	$ 3,455,809
Adjustments to Reconcile Operating Income					
To Net Cash Provided by Operating Activities:					
Depreciation & Amortization	790,905	428,499	83,370	70,293	1,373,067
Change in Assets and Liabilities:					
(Increase) Decrease in Receivables	59,413	(35,456)	(34,470)	(44,919)	(55,432)
(Increase) Decrease in Inventory	(119,927)	-	-	-	(119,927)
Increase (Decrease) in Accrued Liabilities	39,477	4,027	19,071	1,947	64,522
Increase (Decrease) in Accounts Payable	92,023	9,399	(25,700)	6,052	81,774
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 2,377,166	$ 1,870,920	$ 591,810	$ (163,909)	$ 4,799,813
ANALYSIS OF CASH					
Cash & Cash Equivalents	10,637,840	1,169,879	1,555,796	55,545	13,419,060
Total	$ 10,637,840	$ 1,169,879	$ 1,555,796	$ 55,545	$ 13,419,060

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

Note 1 Summary of Significant Accounting Policies

The City of Lamar is a home rule City operating under a charter provided by the authority of the Constitution of the State of Colorado and adopted by its citizens in 1962. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), street maintenance, water and wastewater treatment, sanitation and landfill operation, parks and recreation, cemetery, planning and development, public improvements, historic preservation, and general administrative services. The City's basic financial statements include the accounts of all City operations.

This summary of the City of Lamar's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the City of Lamar conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

In accordance with Governmental Accounting Standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, the following component unit is included in the City's reporting entity because of the significance of its operational or financial relationship to the City.

The Lamar Building Finance Corporation was organized as a nonprofit corporation in 1992 for the purpose of financing the acquisition, construction and equipping of improvements, repairs, renovation, and enlargement to the Lamar Community Building. The Corporation is dependent on the City, the governing board was appointed by the City, the City significantly influences the operations of the corporation and the Corporation is accountable to the City for financial matters. The corporation is accounted for as a blended component unit of the General Fund.

The City Council established the Lamar Redevelopment Authority (the Authority) by resolution on September 14, 2009 as a tax increment financing entity. As allowed by statue, the City Council opted to appoint themselves as the governing board of the Authority. The Authority is dependent on property tax revenue, the City significantly influences the operation of the Authority and the Authority is accountable to the City for financial matters.

The Lamar Housing Authority is not considered a component unit of the City since it is financially independent, it designates its own management, its operations are not significantly influenced by the City and it is not accountable to the City for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. The City did not have any fiduciary funds at December 31, 2020.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund also includes the City's separately budgeted Sales and Use Tax Fund which is considered part of the General Fund for external reporting purposes.

Capital Improvement Fund – The Capital Improvement Fund accounts for construction of capital assets including street improvements, large equipment acquisitions and other capital improvements.

The City also reports the following major proprietary funds:

Water Fund – The Water Fund accounts for all activities necessary for the provision of water services to City residents.

Light and Power Fund – The Light and Power Fund accounts for all activities necessary for the provision of electrical services for area residents and businesses, including agricultural usage.

Sanitation Fund – The Sanitation Fund accounts for all activities necessary for the provision of refuge collection and landfill maintenance.

Ambulance Fund – The Ambulance Fund accounts for all activities necessary for the provision of ambulance services.

Budgets and Budgetary Accounting

Annual budgets are adopted as required by Colorado statutes. Formal budgetary integration is employed as a management control device during the year.

August 25	Assessors must submit abstracts of assessments, reflecting all assessed values of property in the County by class and subclass to the Division of Property Taxation. Deadline for County Assessors to certify to all taxing entities and the Division of Local Government of the new total assessed valuation and the amounts for the various factors needed to compute the statutory property tax revenue limits.
October 15	Statutory deadline for submission of proposed budget to the local governing body. "Notice of Budget" to be published when budget received.
December 15	Statutory deadline for certification of mill levies to the Board of County Commissioners. Local governments levying a property tax must adopt their budgets before certifying the levy to the County. Local governing body shall enact an ordinance or resolution making appropriations for the ensuing fiscal year.
December 22	Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies.

Budgetary comparisons in this report are presented on the GAAP basis, except for proprietary funds that are on a non-GAAP basis.

Appropriations are adopted by ordinance. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations. All appropriations lapse at year end.

Supplemental budgets were adopted due to unanticipated revenues and expenditures.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less. The City pools cash from several funds for the purpose of increasing investment returns. Investment returns are allocated to individual funds based on average balances of the funds.

Reserved Cash and Restricted Cash

Resources set aside for the repayment of bonds and landfill closure and post-closure costs are restricted by applicable bond covenants or bond ordinance agreements. Restricted cash is included in cash and cash equivalents for financial reporting purposes.

Property Taxes

Property taxes for the City are levied by the City Council and certified for collection to Prowers County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the City until the subsequent year.

Receivables

The City is reporting receivables net of allowances in the General, Water & Wastewater, Light and Power, Sanitation, and Ambulance Funds, respectively. The City will review accounts receivable balances and write off accounts that are deemed uncollectible.

Inventory

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Property and equipment of the City is depreciated using the straight-line method over the following useful lives.

Buildings and Improvements	15-50 Years
Equipment	5-30 Years
Infrastructure	30-50 Years

Compensated Absences

On January 1st of each calendar year, eligible employees shall be granted up to 21 days of paid annual leave to be used by December 31st of that calendar year. The number of days of vacation available to each employee in any calendar year shall be based on the employee's years of service with the City and reference to the following schedule. An employee's years of service for purposes of this section will be calculated as of December 31st of the current calendar year.

Years of Service as of December 31st, of the current year	**No. Days of Leave**
Less than 2 years	10 Days
2 years – 10 years	15 Days
11 years – 15 years	18 Days
16 years and more	21 Days

Annual leave is granted, and is intended to be used, on a calendar year basis. Annual leave not used before December 31st, does not carry-over to the next year.

All regular employees are eligible for the annual leave benefit upon commencement of employment.

Regular part-time employees shall receive a pro-rated annual leave benefit of 50% of the full-time benefit.

New employees still serving the introductory period will not be eligible to use the annual leave benefit during the introductory period.

Part-time or temporary employees are not eligible for annual leave.

Effective December 31, 2018, the City will convert the existing vacation leave hours for each employee, that were earned under the provisions of the City's former Personnel Management Manual and which were eligible for "carryover" to the new calendar year, to "banked hours" under the new personnel policy. The banked hours balance carried over shall continue to be accounted for as a separate benefit in individual employee banked hours accounts. These banked hours are in addition to the current annual leave for each employee.

On January 1st of each year regular full-time and regular part-time employees shall be granted ten (10) days of sick leave which may be used during the current calendar year.

The sick leave benefit is granted and is intended to be used on an annual basis. Sick leave which is not used by December 31st of each calendar year does not carry-over from year-to-year.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, deferred outflows of financial resources and deferred inflows of financial resources, represent a usage or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until a future period. The government has three types of items, which arise under the full accrual basis of accounting for both types and modified accrual basis of accounting, in the case of unearned property taxes, that qualify for reporting in these categories. The deferred charge on refunding is reported as a deferred outflow for the governmental activities' presentation. The other item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The final item, included in governmental activities and at the enterprise fund level, are deferred outflows and inflows related to pension and OPEB, as further described in Note 6 and Note 7. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and will be recognized as an outflow or inflow of resources in the period that the amounts become recognizable as an expense or available, respectively. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In the case of the deferred outflow, the charge will be recognized proportionately as the outstanding principal is repaid.

Net Position/Fund Balance

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the City Council, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Cash Reserves – Utility Fund

Lamar Utilities Board has a fiduciary responsibility to make sure the utility is financially healthy and sound to meet its obligation of providing safe and reliable electrical service to its customers. It is a prudent utility operation to maintain six months of cash reserves to cover its utility operations, liabilities and risks that include the following:

- 1960's Electromechanical feeder protection relays and switchgear upgrade;
- Wind turbine gearbox replacement in case of failure;
- Decommissioning of three (3) wind turbines that are approaching end of life;
- Decommissioning of seventy-nine (79) miles of natural gas pipeline that is used to supply natural gas to a retired power plant;
- Five (5) major feeders that run underground from the old power plant to Beech Street tower The construction of a proposed Willow Valley substation;
- Legal and litigation fees;
- Storm related damage to our distribution system as our insurance will only cover up to $500k.

The cash reserve that the Lamar Utilities Board maintains will help cover some of these costs.

Note 2 **Cash and Investments**

The City's cash and investment balances are comprised of the following:

Petty Cash	$	4,350
Cash Accounts		21,370,633
Total Cash and Investments	$	21,374,983

Deposits

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, all of the City's deposits as shown above were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Investments

Credit Risk

The City invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) Safety, 2) Liquidity, and 3) Yield. The City Clerk is responsible for all of the investments of the City.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities;
- Certain international agency securities;
- General obligation and revenue bonds of U.S. local government entities;

- Bankers' acceptance 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 is subject to Colorado statues, which define eligible investments for local governments. Eligible investments include bonds and other interest-bearing obligations of or guaranteed by US government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

Interest Rate Risk

The City manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the City Council.

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City was not exposed to custodial credit risk during the fiscal year.

Note 3 **Capital Assets**

The following schedule presents changes in governmental activities capital assets during 2020:

	Governmental Activities			
	Balance 12/31/2019	**Increases**	**Decreases**	**Balance 12/31/2020**
Capital asset not being depreciated:				
Land	$ 581,457	$ -	$ -	$ 581,457
Construction in progress	545,983	767,397	-	1,313,380
Total capital assets not being depreciated	1,127,440	767,397	-	1,894,837
Capital asset being depreciated:				
Equipment	2,166,888	51,262	-	2,218,150
Vehicles	4,487,861	68,988	-	4,556,849
Buildings	5,371,419	-	-	5,371,419
Infrastructure	18,303,660	-	-	18,303,660
Total capital assets being depreciated	30,329,828	120,250	-	30,450,078
Accumulated Depreciation	(16,276,092)	(906,850)	-	(17,182,942)
Total capital assets being depreciated, net	14,053,736	(786,600)	-	13,267,136
Governmental activity capital assets, net	$ 15,181,176	$ (19,203)	$ -	$ 15,161,973

Depreciation has been charged to the various functions and programs as follows:

Governmental Activities	
General government	$ 295,454
Public safety	214,217
Public works	50,614
Library	81,782
Culture and recreation	159,710
Infrastructure	105,072
Total depreciation expense Governmental Activities	$ 906,849

The following schedule presents business-type activities capital assets at December 31, 2020:

	Business-Type Activities			
	Balance 12/31/2019	Increases	Decreases	Balance 12/31/2020
Capital asset not being depreciated:				
Land	$ 789,662	$ -	$ -	$ 789,662
Intangibles and water rights	1,591,216	-	-	1,591,216
Construction in progress	1,961,248	763,307	-	2,724,555
Total capital assets not being depreciated	4,342,126	763,307	-	5,105,433
Capital asset being depreciated:				
Equipment	16,501,914	1,464,727	(199,015)	17,767,626
Buildings and improvements	8,556,861	-	-	8,556,861
Distribution systems	33,184,847	-	-	33,184,847
Total capital assets being depreciated	58,243,622	1,464,727	(199,015)	59,509,334
Accumulated Depreciation	(33,423,873)	(1,219,300)	199,015	(34,444,158)
Total capital assets being depreciated, net	24,819,749	245,427	-	25,065,176
Governmental activity capital assets, net	$ 29,161,875	$ 1,008,734	$ -	$ 30,170,609

Depreciation has been charged to the various functions and programs as follows:

Business-Type Activities	
Light & Power	$ 790,905
Water	274,732
Sanitation	83,370
Ambulance	70,293
Total depreciation expense Business-Type Activities	$ 1,219,300

Note 4 Long-Term Obligations

Changes in governmental activity long-term obligations are as follows:

	Balance 12/31/19	Advances	Repayments	Balance 12/31/20	Current Portion
Honeywell Lease	$ 567,583	$ -	$ (157,562)	$ 410,021	$ 161,202
Equipment Capital Leases	899,409	-	(229,464)	669,945	132,685
Accrued Compensated Absences	458,353	-	-	458,353	-
Total Governmental Activities	$ 1,925,345	$ -	$ (387,026)	$ 1,538,319	$ 293,887

Changes in business-type activity long-term obligations are as follows:

	Balance 12/31/19	Advances	Repayments	Balance 12/31/20	Current Portion
CWRPDA Note Payable – water	$ 5,564,812	$ -	$ (1,774,658)	$ 3,790,154	$ 359,399
2013 Revenue Bonds - L&P	1,469,624	-	(353,648)	1,115,976	362,666
2014 CWCB Note Payable - water	540,517	-	(16,343)	524,174	16,711
2019 CWCB Note Payable	83,200	-	(7,615)	75,585	7,764
Honeywell Acquisition Lease	2,059,215	-	(251,965)	1,807,250	263,531
2020 Frontier Bank	-	430,000	(67,839)	362,161	55,562
2020 GN Bank N. A.	-	68,988	(14,691)	54,297	12,932
PERA Net Pension Liability	3,049,331	-	-	3,049,331	-
Net OPEB Liability	255,911	-	-	255,911	-
Landfill Postclosure Liability	322,631	-	-	322,631	-
Accrued Compensated Absences	429,393	-	-	429,393	-
Total Business-Type Activities	$ 13,774,634	$ 498,988	$ (2,486,759)	$ 11,786,863	$ 1,432,541

Honeywell Lease Payable – Governmental and Business-Type Activities

The Honeywell acquisition lease is for energy efficiency improvements in the amount of $4,456,988 which being repaid through both the General Fund and the Water Fund. The lease began in December of 2012 with the final payment date in June of 2027. The lease bears interest of 2.8 percent and has a purchase option. Payments are due every quarter of the year and range from $55,943 to $120,305 during the lease term. A summary of the future lease payments follows:

	Honeywell Capital Lease					
	Business-Type Activities			Governmental Activities		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2021	$ 263,531	$ 50,469	$ 314,000	$ 161,202	$ 8,017	$ 169,219
2022	263,398	42,602	306,000	164,929	4,291	169,220
2023	277,134	34,866	312,000	83,890	722	84,612
2024	251,965	28,157	280,122	-	-	-
2025	226,796	21,204	248,000	-	-	-
2026-2027	524,426	38,586	563,012	-	-	-
Total	$ 1,807,250	$ 215,884	$ 2,023,134	$ 410,021	$ 13,030	$ 423,051

Accrued Compensated Absences – Governmental and Business-Type Activities

The City maintains a liability to pay its employees for sick and vacation leave based on the vesting schedules previously described in the footnotes. The balances of these accruals are shown in the above tables.

Governmental Activities

Capital Lease Payable

In 2016, the City entered into a lease purchase agreement for a 2014 Pierce Aerial fire truck. The lease requires annual base rentals of $74,728 consisting of both principal and interest at 3.49 percent on May 5th of each year starting in 2016. Assets with a remaining basis of $528,894 were capitalized as part of this lease.

In 2016, the City entered into a lease purchase agreement for three 2016 Police pickup trucks. The lease requires annual base rentals of $13,441 consisting of both principal and interest at 2.99 percent on May 27th of each year starting in 2017. Payments are made through the General Fund. Assets with a remaining basis of $28,580 were capitalized as part of this lease.

In 2017, the City entered into a lease purchase agreement for two 2017 Dodge Ram pickup trucks. The lease requires annual base rentals of $9,265 consisting of both principal and interest at 2.97 percent on June 15th of each year starting in 2017. Assets with a remaining basis of $40,297 were capitalized as part of this lease.

In 2018, the City entered into a lease purchase agreement for a Pierce Freightliner Type-3 Fire Truck. The lease requires 10 annual base rentals of $43,223 consisting of both principal and interest at 3.95 percent on October 1st of each year starting in 2018. There were no assets capitalized in connection to this capital lease as the vehicle was still being built at December 31, 2018, the proceeds have been recorded in escrow funds until the vehicle is received.

In 2020, the City entered into a finance agreement to buy three vehicles for use by the police department. The note calls for five payments of $14,691 each, with the first payment due April 1, 2020 and four annual payments of the $14,691 each due April 1 with interest at 3.24 percent.

Principal and interest is payable on the loan as follows:

	GN Bank N. A.		
Fiscal Year	**Principal**	**Interest**	**Total**
2021	$ 12,932	$ 1,759	$ 14,691
2022	13,351	1,340	14,691
2023	13,784	907	14,691
2024	14,230	461	14,691
Total	$ 54,297	$ 4,467	$ 58,764

A summary of the capital lease payments follows:

Fiscal Year	Fire Dodge Pickups	Aerial Fire Truck Payment	Dodge Pickups Payment	Fire Truck Payment	Police Pickups Payment	Totals
2021	$ 9,265	$ 74,728	$ 13,441	$ 43,223	$ 16,554	$ 157,211
2022	7,545	74,728	13,443	43,223	16,554	155,493
2023	-	74,728	-	43,223	-	117,951
2024	-	74,728	-	43,223	-	117,951
2025-2028	-	74,534	-	129,670	-	204,204
Total Future Payments	16,810	373,446	26,884	302,562	33,108	752,810
Less: Interest Portion	(696)	(36,125)	(1,161)	(43,195)	(1,688)	(82,865)
Present Value of Payments	$ 16,114	$ 337,321	$ 25,723	$ 259,367	$ 31,420	$ 669,945

Business-Type Activities

Colorado Water Resources and Power Development Authority Loans

On May 27, 2010, the City received loan funds totaling $2,000,000 from the Colorado Water Resources and Power Development Authority (CWRPDA) Water Pollution Control Revolving Fund program for upgrades to the water system. The loan bears interest at 2 percent and requires semi-annual principal and interest payments through May 1, 2031. Payments are made through the Water Fund.

On December 17, 2009, the City was awarded loan funds totaling $5,020,000 from CWRPDA Drinking Water Revolving Fund to finance the relocation of the existing chlorine building, storage tank improvements, and installation resource project. This loan matures in 2031 and is split with $3,952,375 being noninterest bearing and $1,067,625 bearing interest at 2.5 percent. The loan requires semi-annual principal and interest payments through June 15, 2030. Payments are made through the Water Fund.

On August 26, 2016, the City received loan funds totaling $195,500 from the CWRPDA Drinking Water Revolving Fund for the replacement of the distribution and service pipelines. The loan is noninterest bearing and requires semi-annual principal payments through May 1, 2047. Payments are made through the Water Fund. The loan also contains an additional $1,417,300 of proceeds subject to loan forgiveness at the discretion of the Authority.

A summary of payments follows for the CWRPDA Loans:

	CWRPDA Loans		
Fiscal Year	**Principal**	**Interest**	**Total**
2021	$ 359,399	$ 350,891	$ 710,290
2022	362,797	339,493	702,290
2023	366,271	375,419	741,690
2024	369,562	356,531	726,093
2025	373,277	356,816	730,093
2026-2030	1,790,396	448,600	2,238,996
2031-2035	93,518	609	94,127
2036-2040	32,580	-	32,580
2041-2045	32,580	-	32,580
2046-2047	9,774	-	9,774
Total	$ 3,790,154	$ 2,228,359	$ 6,018,513

Colorado Water Conservation Board Loans

On November 10, 2014, the City received loan funds totaling $616,994 from the Colorado Water Conservation Board (CWCB) for upgrades to the water transmission lines. The loan bears interest at 2.25 percent and matures in 2044.

Principal and Interest is payable on the outstanding loans as follows:

	CWCB Loans		
Fiscal Year	**Principal**	**Interest**	**Total**
2021	16,711	11,794	28,505
2022	17,087	11,418	28,505
2023	17,471	11,034	28,505
2024	17,864	10,641	28,505
2025	18,266	10,239	28,505
2026-2029	97,684	44,841	142,525
2031-2034	109,179	33,346	142,525
2035-2039	122,028	20,497	142,525
2040-2044	107,884	6,136	114,020
Total	$ 524,174	$ 159,946	$ 684,120

On June 17, 2016, the City received loan funds totaling $101,000 from the Colorado Water Conservation Board (CWCB) for upgrades to the water transmission lines. The loan bears interest at 1.95 percent and matures ten years from substantial project completion. Principal and interest will be due annually.

Principal and Interest is payable on the outstanding loans as follows:

	CWCB Loans		
Fiscal Year	**Principal**	**Interest**	**Total**
2021	$ 7,764	$ 1,474	$ 9,238
2022	7,916	1,322	9,238
2023	8,071	1,167	9,238
2024	8,228	1,010	9,238
2025	8,388	850	9,238
2026-2029	35,218	5,823	36,952
Total	$ 75,585	$ 11,646	$ 83,142

On March 3, 2020, the City purchased a truck for the Water Fund at a cost of $430,000. The purchase was financed with seven annual payments of $67,839, principal and interest, with an interest rate of 3.39%.

Principal and interest is payable on the loan as follows:

	Frontier Bank Loan		
Fiscal Year	**Principal**	**Interest**	**Total**
2021	$ 55,562	$ 12,277	$ 67,839
2022	57,445	10,394	67,839
2023	59,393	8,446	67,839
2024	61,406	6,433	67,839
2025	63,488	4,351	67,839
2026	64,867	2,197	67,064
Total	$ 362,161	$ 44,098	$ 406,259

Electric Revenue Bonds

In 2013, the City fully refunded 2004 Electric Enterprise Revenue Bonds by issuing Revenue Bonds in the amount of $3,490,000. The 2013 bonds bear interest at 2.55 percent. Interest is payable semi-annually on January 1st and July 1st of each year.

Principal and interest is payable on the outstanding bonds as follows:

	Electric Refunding Bonds		
Fiscal Year	**Principal**	**Interest**	**Total**
2021	$ 362,666	$ 24,203	$ 386,869
2022	371,914	9,818	381,732
2023	381,396	4,971	386,367
Total	$ 1,115,976	$ 38,992	$ 1,154,968

Note 5 **Interfund Transactions**

The City has recorded the following routine transfers:

	Transfers In	Transfers Out
General Fund	$ 6,691,767	$ 221,846
Ambulance Fund	26,846	-
Sanitation Fund	-	310,646
Water Fund	-	402,951
Utility Fund	-	1,923,448
Nonmajor Govt. Funds	195,000	4,054,722
Totals	$ 6,913,613	$ 6,913,613

Note 6 **Employee Benefit Plans**

Defined Benefit – PERA

In 1992, the City's employees, except for Light and Power Fund employees, voted to terminate their participation in PERA. Their respective share of PERA was withdrawn and rolled over into a defined contribution plan. All of the City's full-time Light and Power Fund employees participate in PERA.

Summary of Significant Accounting Policies

Pensions. The City's Light and Power Fund, via the Lamar Utilities Board ("LUB"), participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deduction from the fiduciary met position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability on the Plan Within the Next Thirty Years.*

The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all were in effect at the end of 2019.

Plan Description

Plan Description

Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

The Trust Fund serves as a defined benefit retirement plan where retirees receive a monthly benefit for their lifetime, and generally, an annual increase (AI) each year, as eligible. Members of affiliated employers are eligible to receive a lifetime monthly retirement benefit when certain age and service credit requirements are met. These eligibilities vary by the membership date and consider credited service at key dates. The benefits are based upon a defined or fixed multiplier, age, years of credited service, and highest average salary (HAS). For most employees, HAS, as of December 31, 2019, is one-twelfth of the average of the highest annual salaries that are associated with three periods (five periods, under certain circumstances) of 12 consecutive months under PERA-covered employment. The basic retirement benefit equals *2.5% x HAS x Years of Service*. If a member reaches early retirement eligibility and wishes to begin benefit payments prior to achieving the full retirement requirements, then the monthly amount is reduced to consider the early receipt of monthly payments. Alternatively, if greater, a lifetime benefit is available that is calculated by annuitizing the member's account. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is appropriately adjusted.

In addition to retirement benefits, the Trust Fund provides refund opportunities with matching employer dollars, if eligible, when leaving covered employment, and disability retirement and survivor benefits for those meeting certain criteria.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Employer Contributions

Employers are required to contribute to the Trust Fund at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Employer contribution requirements, as a percentage of salary, are summarized on the table below:

January 1st - December 31st	**2019**
Employer Contribution Rate	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the LGDTF	8.98%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Total Employer Contribution rate to the Trust Fund	**12.68%**

Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the LUB is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were $214,627 for the year ended December 31, 2019.

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

At December 31, 2020, the LUB reported a liability of $1,797,686 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The LUB proportion of the net pension liability was based on the LUB contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the LUB proportion was .24579%, which is approximately the same proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the LUB recognized pension expense of $(1,20,958) At December 31, 2020, the LUB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 117,630	$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	662,800	1,398,258
Changes in proportion and differences between contributions recognized and proportionate share of contributions – Plan Basis	-	-
Contributions subsequent to the measurement date	233,630	-
Total	$ 1,014,068	$ 1,398,258

$233,630 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50 – 10.45%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)*	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

*For 2019, the A1 was 0.00 percent

Healthy mortality assumptions for active members reflect the P-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the Trust Fund, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target Allocation**	**10 Year Expected Geometric Real Rate of Return**
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non-U.S. Equity – Developed	18.55%	5.20%
Non-U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7 .25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2018, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2018). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop .50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the Trust Fund's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of City proportionate share of the net pension liability to changes in the discount rate.

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

	1% Decrease (6.25%)	**Current Discount Rate (7.25%)**	**1% increase (8.25%)**
Proportionate share of the net pension liability	$3,302,216	$1,797,686	$532,391

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Subsequent Event

Subsequent to December 31, 2019, as a result of the COVID-19 pandemic, the global economic outlook has changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA's investment portfolio, as well the short-medium term impact on the Trust Fund's membership and demographics, remains uncertain.

Defined Contribution Plans – Money Purchase Pension Plan

The City reinstated and administers a money purchase pension plan, as of June 1, 2010. All City employees except light and Power employees, firemen and policemen, are covered under this defined contribution plan if they meet eligibility requirements specified in the plan document. Participants are required to contribute 8 percent of their eligible wages and can voluntarily contribute an additional 6 percent of compensation through the City's 457 voluntary contribution plan. The City is required to contribute 9 percent of allowable compensation for retirement benefits plus an additional 0.9 percent

percent of allowable compensation for retirement benefits plus an additional 0.9 percent of allowable compensation for other fringe benefits.

The policemen have each established money purchase defined contribution pension plans (FPMP for new hires). FPMP may be amended by action of the Retirement Board with the approval of at least 65 percent of actively employed eligible employees and former employees entitled to FPMP benefits. The plans are maintained through Fidelity Advisor Funds and American Century Funds. The participants are required to contribute 8 percent of their eligible salaries, and the City contributes 9 percent. For 2020, the City contributed \$70,622 and participants contributed \$61,887.

Deferred Compensation Plan – 457 Plan

In 1997, the City offered its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is available through ICMA Retirement Corporation.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

Volunteer Firefighters' Pension Plan

Plan Description

On July 1, 2006, the City's Volunteer Plan affiliated with FPPA under CRS 31-30-1005(l)(k), as amended, at which time all plan assets were transferred to FPPA for financial administration. Under FPPA administration, the City's Volunteer Plan is an "affiliated local plan" that is part of an agent multiple-employer Public Employee Retirement System (PERS). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension Plan administered by FPPA.

Under the FPPA affiliation agreement, the City is responsible for the collection and transmission of all contributions to the Plan. FPPA is responsible for the physical safekeeping and investing of such contributions, as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the Plan.

All City volunteer firefighters participate in this non-contributing local defined benefit pension plan administered by FPPA. For the year ended December 31, 2019, the City acted as the trustee for the plan and has authority to amend benefit provisions.

The Plan does not issue separate financial statements. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111-2721, or by calling FPPA at (303) 770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

Description of Benefits

The Plan provides retirement benefits for Members and beneficiaries according to Plan provisions as enacted and governed by the Firefighters Pension Board. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the Plan. A participant becomes fully vested after 10 years of active service and reaching age 50. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter Benefits provided are as follows:

Age and service retirement after age 50 with 20 years of credited service (monthly)	$ 250
Disability retirement benefit:	
Temporary	-
Permanent	-
Surviving spouse death benefit:	
Following death before retirement eligible, death in line of duty	-
Following death after normal retirement	$ 125
Following death after vested retirement with 10 to 20 years of service, amount per year of service per minimum vesting years	-
Funeral benefit, lump sum	$ 100

Contributions

The City makes contributions in accordance with the Plan per provisions in the Plan document and Colorado statutes based on Trustees established benefits and funding requirements based on an actuarial study. The City contributes to the Volunteer Fire Department Pension Fund at a rate determined in the following manner: at least every three (3) years, the Volunteer Fire Department Pension Fund shall have an actuarial study prepared to determine the funds required. The required funds will be paid annually from general revenues of the City into the Volunteer Fire Department Pension Fund. The Volunteer Firefighter's Pension Plan receives contributions from the City in an amount not to exceed one half mill of property tax revenue.

As established by the legislature, the State of Colorado contributes up to ninety percent of the City's contribution. The contributions are not actuarially determined.

The financial statements of the volunteer Plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the Plan are paid from the pension fund (CRS 31-30.5-204(3)). There are no investments in, loans to, or leases with parties related to the Plan.

Pensions 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 $791,835. The net pension asset was measured as of 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, 2019.

For the year ended December 31, 2020, the City recognized pension income of $44,752. 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	Deferred Inflows
Difference between expected and actual experience	$ 50,914	$ 40,185
Changes in assumptions	15,075	-
Net difference between projected and actual earnings on pension plan investments	48,103	83,832
Total	$ 104,333	$ 124,017

Actuarial Assumptions

The January 1, 2017 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal years ending December 31, 2019 and 2018. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method (1)	Level Dollar, Open
Amortization Period (1)	20 Years
Asset Valuation Method	5 – Year smoothed fair value
Long-Term Investment Rate of Return, Net Pension Plan Investment Expenses, including price inflation *	7.50%
Projected Salary Increase *	N/A
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

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

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 expenses 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 Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

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

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate for the Measurement Period Ended December 31, 2019.

The following presents the City's net position calculated using the discount rate of 7.00 percent, as well as what the City's net position would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Single Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate Share of the Net Pension Asset	$743,182	$791,835	$831,136

Pension Plan Fiduciary Net Position

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

Changes in net pension liability for the City's agent multiple-employer plan is listed below:

Total Pension Liability	**Measurement period ended December 31, 2020**
Service Cost	$ 5,734
Interest	23,232
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments	(11,350)
Net Changes in Total Pension Liability	17,616
Total Pension Liability - Beginning	334,644
Total Pension Liability - End (a)	$ 352,260
Plan Fiduciary Net Position	
Contributions - Employer	$ 6,592
Contributions - Employee	-
Net Investment Income	143,430
Benefit Payments, Including Refunds of Employee Contributions	(11,350)
Administrative Expense	(10,501)
State of Colorado Supplemental Discretionary Payments	25,560
Net Change in Plan Fiduciary Net Position	153,731
Plan Fiduciary Net Position - Beginning	990,364
Plan Fiduciary Net Position - End (b)	$ 1,144,095
City's Net Pension Liability (Asset) - Ending (a)-(b)	$ (791,835)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	324.79%
Covered Employee Payroll	N/A
Net Pension Liability/(Asset) as a percentage of Covered Payroll	N/A

Membership

As of the December 31, 2019 measurement date, pension plan membership consisted of the following:

Retirees and Beneficiaries	5
Inactive, Nonretired Members	1
Active Members	32
Total	38

Old Hire Firefighters' Pension Plan

Plan Description

The Old Hire Plan is an agent multiple-employer defined benefit pension plan established by resolution of the City. All assets are held and invested by FPPA. Firemen hired prior to April 8, 1978 who elected not to change to the New Hire Statewide Defined Benefit Plan are covered by this plan. Any changes to this plan are referred to the membership by the Pension Trustee Board and voted upon. The plan is closed and has no current employees.

Description of Benefits

The Plan provides retirement benefits for Members and beneficiaries according to Plan provisions as enacted and governed by the City Council. Any Member who elects to retire on or after his normal retirement date (20 years of service and 55 years of age) shall be eligible for a monthly pension equal to one-half of his average monthly salary received one year before his retirement.

The plan also provides for cost of living adjustments, surviving spouse benefits and post-retirement death benefits. FPPA issues independent annual reports that may be obtained by calling FPPA at (303) 770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

Contributions

The City funds the Plan per provisions in the Plan document and Colorado statutes. The City shall contribute amounts required to fund the benefits provided by the Plan on a sound actuarial basis. The City contributes to the Old Hire Pension Fund at a rate determined in the following manner: at least every three (3) years, the Old Hire Pension Fund shall have an actuarial study prepared to determine the funds required. The required funds will be paid annually from general revenues of the City into the Old Hire Pension Fund.

The Plan is administered by the City Council.

The financial statements of the Old Hire Plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the Plan are paid from the pension fund (CRS 31-30.5-204(3)). There are no investments in, loans to, or leases with parties related to the Plan.

There were no contributions required for the current fiscal year.

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 $704,315. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

For the year ended December 31, 2020, the City recognized pension income (expense) of $(35,027). 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	**Deferred Inflows**
Net difference between projected and actual earnings on pension plan investments	$ 47,476	$ 60,736

Actuarial Assumptions

The January 1, 2018 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal years ending December 31, 2020 and 2019. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method (1)	Level Dollar, Open
Amortization Period (1)	20 Years
Asset Valuation Method	5 – Year smoothed fair value
Long-Term Investment Rate of Return, Net Pension Plan Investment Expenses, including price inflation *	7.50%
Projected Salary Increase *	N/A
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

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

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 expenses 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.

Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50 percent; the municipal bond rate is 3.31 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50 percent.

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate

The following presents the City's net position calculated using the discount rate of 4.50 percent, as well as what the City's net position would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

	1% Decrease (3.5%)	**Current Discount Rate (4.5%)**	**1% Increase (5.5%)**
Proportionate Share of the Net Pension Asset	$ 672,993	$ 704,315	$ 731,580

Pension Plan Fiduciary Net Position

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

Changes in net pension (asset) liability for the City's agent multiple-employer plan is listed below:

Total Pension Liability		**Measurement period ended December 31, 2020**
Interest	$	19,771
Difference Between Expected and Actual Experience		7,040
Benefit Payments		(25,990)
Change in Assumptions		71,804
Net Changes in Total Pension Liability		72,625
Total Pension Liability - Beginning		276,377
Total Pension Liability - End (a)	$	349,002
Plan Fiduciary Net Position		
Contributions - Employer	$	-
Contributions - Employee		-
Net Investment Income		115,656
Benefit Payments		(25,990
Administrative Expense		(1,168)
Net Change in Plan Fiduciary Net Position		88,498
Plan Fiduciary Net Position - Beginning		964,819
Plan Fiduciary Net Position - End (b)	$	1,053,317
City's Net Pension Liability (Asset) - Ending (a)-(b)	$	(704,315)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		301.81%
Covered Employee Payroll		N/A
Net Pension Liability/(Asset) as a percentage of Covered Payroll		N/A

There were no changes in the benefit terms, assumptions, or other inputs during the fiscal year.

Membership

As of the December 31, 2019 measurement date, pension plan membership consisted of one retiree beneficiary.

Note 7 Post Employment Healthcare Benefits

Health Care Trust Fund

Summary of Significant Accounting Policies

OPEB. The City's Light and Power Fund (LUB) participates in the Health Care Trust Fund (HCTF), a cost sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description

Eligible employees of the LUB are provided with OPEB through the HCTF-a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part Band the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the

DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the LUB is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from LUB were $17,265 for the plan year ended December 31, 2019.

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

At December 31, 2020, the LUB reported a liability of $211,589 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The LUB's proportion of the net OPEB liability was based on LUB's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the LUB's proportion was 0.018824 percent, which was approximately the same as its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the LUB recognized OPEB expense of $(9,731). At December 31, 2019, the LUB reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 702	$ (355,555)
Changes of assumptions/other inputs	1,755	-
Net difference between projected and actual earnings on pension plan investments	3,407	(6,938)
Changes in proportion and differences between contributions recognized and proportionate share of contributions – Plan Basis	-	-
Contributions subsequent to the measurement date	16,227	-
Total	$ 22,091	$ (42,493)

$16,227 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021.

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
PERA Benefit Structure:	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2019, gradually increasing to 4.50% in 2029

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita heath care costs and their related trends are analyzed and reviewed by PERA Board's actuary, as discussed below. In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums (in actual dollars) are assumed for 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$ 601	$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is $437 (in actual dollars) per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits (in actual dollars), age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$ 562
Kaiser Permanente Medicare Advantage HMO	571

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERA Care enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.50%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total OPEB liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the Trust Fund. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the Trust Fund.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the Trust Fund.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.

- The morbidity assumptions were updated to reflect the assumed standard aging factors.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the Trust Fund including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non-U.S. Equity – Developed	18.55%	5.20%
Non-U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity of the LUB's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher that the current rates.

	1% Decrease In Trend Rates	**Current Trend Rates**	**1% Increase In Trend Rates**
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB asset (liability)	$206,563	$211,589	$217,397

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows.

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019 measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were established and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change from the prior measurement date.

Sensitivity of the LUB's proportionate share of the net OPEB liability to changes in the discount rate.

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

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Proportionate Share of the Net OPEB Asset (Liability)	$239,244	$211,589	$187,938

Subsequent Event

Subsequent to December 31, 2019, as a result of the COVID-19 pandemic, the global economic outlook has changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact of PERA's investment portfolio, as well as the short-medium term impact on the Trust Fund's membership and demographics, remains uncertain.

OPEB plan fiduciary net position.

Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 8 Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For risks related to property and liability and workers' compensation, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have ability to significantly affect the operations of the unit. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City purchases commercial insurance coverage for all items not covered by CIRSA. Settled claims for these risks have not exceeded insurance coverage the past three years.

Note 9 Related Parties

The City entered into a contract in 1979 with five other municipalities to create a separate governmental entity known as the Arkansas River Power Authority (ARPA) under provisions of CRS 1973, § 29-1-204 as amended, "to effect the development of electric energy resources and the production and transmission of electric energy in whole or in part for the benefit of the inhabitants of the Municipalities." Under the provisions of this agreement and the subsequent Power Purchase Agreement and various amendments to the Power Purchase Agreement, the member municipalities, all of which had the capacity to generate electric power, agreed to allow ARPA to coordinate and manager the "economic dispatching of the power and energy supplied by the system of the Authority (ARPA) and supplied by the electric systems of the individual Municipalities and other entities to which such systems are interconnected."

Over succeeding years, the Parties to the agreement(s) have changed. Some original member municipalities have left ARPA and the terms of the Power Purchase Agreement(s) between the member municipalities have also changed to accommodate changes in the regulatory environment, economic conditions, and the condition of the electric generating assets of the member municipalities, to the point where all of the member municipalities now purchase all of their electric energy from ARPA, including the City's electric Light and Power enterprise, LUB.

During 2020, purchases of power by the City from ARPA were $9,439,626.

Note 10 Landfill Closure and Post Closure Liability

State and federal laws and regulations require the City to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the

City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimated cost to perform all closure and post closure care was $933,833, based on a cost estimate completed in April 2019 and subsequently modified by the Colorado Department of Public Health and Environment. The costs were comprised of $572,705 of closure costs and $361,177 of post-closure costs. The City currently filled an estimated 491,900 cubic meters on overall capacity of 1,314,539 cubic meters, for an estimated used amount of slightly more than 37 percent. Based on this usage, the City has recorded an inflation adjusted long-term liability of $323,913, with current expense increase of $1,282. This increase in the liability is primarily related to Colorado Department of Public Health and Environment modifications to closure and post-closure costs from update procedures after the April 2019 measurement and the annual inflation factor of 1.019 percent. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post closure care or to exhibit financial assurance that it is able to finance these costs without the contributions to a trust. The City has demonstrated financial assurance and has restricted $323,913 of its available cash balance to meet this liability and as a result has not made any contributions to a trust.

Note 11 Commitments and Contingencies

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1995, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3 percent of qualifying expenditures, as required by the Amendment. At December 31, 2020, the emergency reserve of $246,719 was recorded in the General Fund.

Note 12 Net Position Deficit

The City has an unrestricted net position deficit in the Ambulance Fund. This deficit is anticipated to be recovered through ongoing operations or internal fund transfers as needed.

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REQUIRED SUPPLEMENTARY INFORMATION

(Pension Schedules)

City of Lamar
Schedule of the City's Proportionate Share of the Net Pension Asset (Liability)
PERA Pension Plan
Last 10 Fiscal Years [1]

	For the Years Ended December 31,						
	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension asset (liability)	0.2457920%	0.24254690%	0.237995%	0.261972%	0.226729%	0.342544%	0.369087%
City's proportionate share of the net pension asset (liability)	$ (1,797,686)	$ (3,049,331)	$ (2,649,906)	$ (3,537,518)	$ (2,938,240)	$ (3,070,251)	$ (3,037,293)
City's covered payroll	$ 1,692,641	$ 1,590,848	$ 1,501,372	$ 1,587,879	$ 1,514,816	$ 1,876,987	$ 1,969,113
City's proportionate share of the net pension asset (liability) as a percentage of covered payroll	(106.21%)	(191.68%)	(176.50%)	(222.78%)	(193.97%)	(163.57%)	(154.25%)
Plan fiduciary net position as a percentage of the total pension liability	86.26%	75.95%	79.37%	73.65%	76.87%	80.72%	81.00%

[1] - Additional years will be added to this schedule as they become avaiable.

City of Lamar
Schedule of City Contributions
PERA Pension Plan
Last 10 Fiscal Years [1]

	For the Years Ended December 31,						
	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	$ 214,627	$ 233,630	$ 190,374	$ 201,343	$ 192,079	$ 238,002	$ 249,683
Actual Contributions	(214,627)	(233,630)	(190,374)	(201,343)	(192,079)	(238,002)	(249,683)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,692,640	$ 1,590,848	$ 1,501,372	$ 1,587,879	$ 1,514,816	$ 1,876,987	$ 1,969,113
Contributions as a percentage of covered payroll	12.68%	14.69%	12.68%	12.68%	12.68%	12.68%	12.68%

[1] - Additional years will be added to this schedule as they become avaiable.

City of Lamar
Schedule of Changes in the City's Net Pension (Asset) Liability
FPPA Lamar Volunteer Fire Department Pension Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31,					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 5,734	$ 6,592	$ 6,592	$ 5,643	$ 5,643	$ 7,265
Interest	23,232	26,248	24,794	15,999	15,196	13,208
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(54,349)	-	99,193	-	15,819
Changes of assumptions	-	15,530	-	7,613	-	-
Benefits payments	(11,350)	(12,000)	(12,000)	(11,315)	(9,000)	(8,984)
Net changes in total pension liability	17,616	(17,979)	19,386	117,133	11,839	27,308
Total Pension Liability - Beginning	334,644	352,623	333,237	216,104	204,265	176,957
Total Pension Liability - Ending (a)	352,260	334,644	$ 352,623	$ 333,237	$ 216,104	$ 204,265
Plan Fiduciary Net Position						
Contributions - Employer	$ 6,592	$ 14,200	$ 14,200	$ 14,200	$ 14,200	$ 14,200
Contributions - Employee	-	-	-	-	-	-
Net investment income	143,430	(22)	127,194	44,326	14,222	47,876
Benefit payments, including refunds of employee contributions	(11,350)	(12,000)	(12,000)	(11,315)	(9,000)	(8,984)
Administrative expense	(10,501)	(10,110)	(9,182)	(1,578)	(2,364)	(1,498)
State of Colorado discretionary payment	25,560	-	12,780	12,780	12,780	25,560
Net change in plan fiduciary net position	153,731	(7,932)	132,992	58,413	29,838	77,154
Plan Fiduciary Net Position - Beginning	990,364	998,296	865,304	806,891	777,053	699,899
Plan Fiduciary Net Position - Ending (b)	$ 1,144,095	$ 990,364	$ 998,296	$ 865,304	$ 806,891	$ 777,053
City's Net Pension Liability/(Asset) - Ending (a) - (b)	$ (791,835)	$ (655,720)	$ (645,673)	$ (532,067)	$ (590,787)	$ (572,788)

[1] - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of the City's Proportionate Share of the Net Pension Asset (Liability)
FPPA Lamar Volunteer Fire Department Pension Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31,						
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
City's proportion of the net pension asset (liability)	100%	100%	100%	100%	100%	100%	100%
City's proportionate share of the net pension asset (liability)	$ 791,835	$ 655,720	$ 645,673	$ 532,067	$ 590,787	$ 572,788	$ 522,942
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension asset (liability) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	325.79%	295.95%	283.11%	259.67%	373.38%	380.41%	395.52%

[1] - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of City Contributions
FPPA Lamar Volunteer Fire Department Pension Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31,					
	2019	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contributions	$ -	$ -	$ -	$ -	$ -	$ -
Actual Contributions	32,152	14,200	26,980	26,980	26,980	39,760
Contribution deficiency (excess)	$ (32,152)	$ (14,200)	$ (26,980)	$ (26,980)	$ (26,980)	$ (39,760)
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

[1] - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of Changes in the City's Net Pension (Asset) Liability
FPPA Lamar Old Hire Fire Pension Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31,					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Interest	$ 19,771	$ 20,187	$ 20,313	$ 20,744	$ 20,497	$ 20,582
Differences between expected and actual experience	7,040	-	-	-	(13,105)	-
Changes of assumptions	71,804	-	-	-	-	-
Benefits payments	(25,990)	(25,481)	(31,706)	(21,444)	(31,706)	(21,960)
Net changes in total pension liability	72,625	(5,294)	(11,393)	(700)	(24,314)	(1,378)
Total Pension Liability - Beginning	276,377	281,671	276,150	276,850	283,824	285,202
Total Pension Liability - Ending (a)	$ 349,002	$ 276,377	$ 264,757	$ 276,150	$ 259,510	$ 283,824
Plan Fiduciary Net Position						
Contributions - Employer	$ -	$ -	$ -	$ -	$ -	$ -
Contributions - Employee	-	-	-	-	-	-
Net investment income	115,656	314	129,278	46,661	15,865	57,553
Benefit payments, including refunds of employee contributions	(25,990)	(25,481)	(31,706)	(21,444)	(31,706)	(21,960)
Administrative expense	(1,168)	(3,221)	(689)	(3,508)	(1,629)	(4,703)
Net change in plan fiduciary net position	88,498	(28,388)	96,883	21,709	(17,470)	30,890
Plan Fiduciary Net Position - Beginning	964819	993,207	886,062	864,353	881,823	850,933
Plan Fiduciary Net Position - Ending (b)	$ 1,053,317	$ 964,819	$ 982,945	$ 886,062	$ 864,353	$ 881,823
City's Net Pension Liability/(Asset) - Ending (a) - (b)	$ (704,315)	$ (688,442)	$ (718,188)	$ (609,912)	$ (604,843)	$ (597,999)

[1] - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of the City's Proportionate Share of the Net Pension Asset (Liability)
FPPA Lamar Old Hire Fire Pension Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31, 2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension asset (liability)	100%	100%	100%	100%	100%	100%	100%
City's proportionate share of the net pension asset (liability)	$ 704,315	$ 688,442	$ 711,536	$ 609,912	$ 587,503	$ 597,999	$ 565,731
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension asset (liability) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	301.81%	349.10%	352.61%	312.95%	304.63%	310.69%	298.36%

[1] - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of City Contributions
FPPA Lamar Old Hire Fire Pension Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31,						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual Contributions	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

[1] - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of the City's Proportionate Share of the OPEB Asset (Liability)
PERA Health Care Trust Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31,			
	2019	2018	20107	2016
City's proportion of the net pension asset (liability)	0.018824%	0.018809%	0.018493%	0.020110%
City's proportionate share of the net pension asset (liability)	$ (211,589)	$ (225,911)	$ (240,339)	$ (260,732)
City's covered payroll	$ 1,692,640	$ 1,590,848	$ 1,501,373	$ 276,273
City's proportionate share of the net pension asset (liability) as a percentage of covered payroll	(12.50%)	(14.20%)	(16.01%)	(94.37%)
Plan fiduciary net position as a percentage of the total pension liability	24.49%	17.03%	17.53%	16.70%

[1] - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of City Contributions OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years [1]

	For the Years Ended December 31, 2019	2018	2017	2016
Contractually required contributions	$ 17,265	$ 16,227	$ 15,314	$ 2,818
Actual Contributions	(17,265)	(16,227)	(15,314)	(2,818)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,692,640	$ 1,590,848	$ 1,501,373	$ 276,273
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

[1] - Additional years will be added to this schedule as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

City of Lamar, Colorado
Budget and Actual
General
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 433,800	$ 433,800	$ 459,127
SO Taxes	63,000	63,000	69,750
Fees and fines	57,500	57,500	48,142
Licenses and permits	139,000	139,000	174,522
Intergovernmental	898,001	898,001	844,711
Charges for services	596,224	596,224	485,241
Gifts and grants	1,500	1,500	640
Investment earnings	14,400	14,400	10,296
Miscellaneous	338,585	338,585	52,338
Total revenues	2,542,010	2,542,010	2,144,767
EXPENDITURES			
Current:			
General government	2,529,308	2,529,308	1,995,048
Public Safety	2,191,683	2,191,683	2,049,024
Highways and roads	1,386,576	1,386,576	1,361,900
Cemetery	2,052,504	2,052,504	2,009,328
Debt Service:			
Principal	402,283	402,283	405,235
Capital Outlay	412,741	412,741	86,686
Total Expenditures	8,975,095	8,975,095	7,907,221
Excess (deficiency) of revenues over expenditures	(6,433,085)	(6,433,085)	(5,762,454)
OTHER FINANCING SOURCES (USES)			
Proceeds from other financing sources	68,988	68,988	68,988
Transfers in	6,757,291	6,757,291	6,691,767
Transfers out	(571,846)	(571,846)	(221,846)
Total other financing sources and uses	6,254,433	6,254,433	6,538,909
Net change in fund balances	(178,652)	(178,652)	776,455
Fund balances - beginning	6,239,893	6,239,893	5,597,165
Fund balances - ending	$ 6,061,241	$ 6,061,241	$ 6,373,620

OTHER SUPPLEMENTARY INFORMATION

City of Lamar, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2020

	Conservation Trust	Lamar Redevelopment Authority	Victims Assistance	E-911	Fairmount Investment Trust	Library	Sales Tax	Total Special Revenue Funds
ASSETS								
Cash and cash equivalents	$ 346,150	$ 419,576	$ 63,214	$ 64,866	$ 319,172	$ 66,796	$ 1,086	$ 1,280,860
Due from other funds	-	-	17	-	89	-	(98)	8
Receivable from other governments	-	-	-	46,251	-	-	-	46,251
Other receivables	-	-	23	-	43	-	611,980	612,046
Total assets	346,150	419,576	63,254	111,117	319,304	66,796	612,968	1,939,165
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	-	-	4,265	21,180	899	-	26,344
Due to other funds	-	-	-	25,461	-	-	-	25,461
Other accrued expenses	-	-	-	7,125	-	-	-	7,125
Total liabilities	-	-	-	36,851	21,180	899	-	58,930
Fund balances:								
Committed	346,150	419,576	63,254	97,476	298,124	65,897	612,968	1,903,445
Unreserved	-	-	-	(23,210)	-	-	-	(23,210)
Total fund balances	346,150	419,576	63,254	74,266	298,124	65,897	612,968	1,880,235
Total liabilities and fund balances	$ 346,150	$ 419,576	$ 63,254	$111,117	$ 319,304	$ 66,796	$ 612,968	$ 1,939,165

City of Lamar, Colorado

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

	Conservation Trust	Lamar Redevelopment Authority	Victims Assistance	E-911	Fairmount Investment Trust	Library	Sales Tax	Total Special Revenue Funds
REVENUES								
Property taxes	$ -	$ 179,445	$ -	$ -	$ -	$ -	$ -	$ 179,445
Sales taxes	-	-	-	-	-	-	4,368,791	4,368,791
Fees and fines	-	-	-	-	-	-	4,664	4,664
Licenses and permits	-	-	-	-	-	-	16,505	16,505
Intergovernmental	77,309	-	-	325,000	-	6,389	-	408,698
Charges for services	-	-	7,927	-	11,556	-	-	19,483
Investment earnings	161	1,452	139	-	1,150	36	42	2,980
Miscellaneous	-	-	-	3,621	441	9,618	3,348	17,028
Total revenues	77,470	180,897	8,066	328,621	13,147	16,043	4,393,350	5,017,594
EXPENDITURES								
Current:								
General government	-	48,268	-	-	-	-	126,673	174,941
Public Safety	-	-	12,508	490,875	-	-	-	503,383
Health and sanitation	-	-	-	-	-	-	-	-
Culture and recreation	8,231	-	-	-	-	16,084	-	24,315
Capital Outlay	5,694	-	-	-	27,870	-	-	33,564
Total Expenditures	13,925	48,268	12,508	490,875	27,870	16,084	126,673	736,203
Excess (deficiency) of revenues over expenditures	63,545	132,629	(4,442)	(162,254)	(14,723)	(41)	4,266,677	4,281,391
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	195,000	-	-	-	195,000
Transfers out	-	-	-	-	(1,106)	-	(4,053,616)	(4,054,722)
Total other financing sources and uses	-	-	-	195,000	(1,106)	-	(4,053,616)	(3,859,722)
Net change in fund balances	63,545	132,629	(4,442)	32,746	(15,829)	(41)	213,061	421,669
Fund balances - beginning	282,605	286,947	67,696	41,520	313,953	65,938	399,907	1,458,566
Fund balances - ending	$ 346,150	$ 419,576	$ 63,254	$ 74,266	$ 298,124	$ 65,897	$ 612,968	$ 1,880,235

CAPITAL PROJECTS FUND

Capital Projects Fund – This fund accounts for construction of capital assets including street improvements, large equipment acquisitions and other capital improvements.

City of Lamar, Colorado
Budget and Actual
Capital Projects
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 1,490,000	$ 1,490,000	$ 1,080,944
Investment earnings	-	-	1,739
Miscellaneous	45,000	45,000	5,274
Total revenues	1,535,000	1,535,000	1,087,957
EXPENDITURES			
Current:			
Public Safety	-	-	141,304
Highways and roads	300,000	300,000	126,502
Culture and recreation	-	-	37,039
Capital Outlay	1,300,000	1,300,000	767,397
Total Expenditures	1,600,000	1,600,000	1,072,242
Excess (deficiency) of revenues over expenditures	(65,000)	(65,000)	15,715
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	50,000	-
Total other financing sources and uses	50,000	50,000	-
Net change in fund balances	(15,000)	(15,000)	15,715
Fund balances - beginning	294,054	294,054	707,526
Fund balances - ending	$ 279,054	$ 279,054	$ 723,241

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects, that are legally restricted to expenditures for specified purposes.

Conservation Trust Fund – This fund accounts for lottery proceeds received from the State government. Expenditures are restricted to the development or improvement of City parks.

Lamar Redevelopment Authority Fund – This fund accounts for tax increment financing that is available to reinvest in the urban renewal district for property enhancements or new development incentives.

Victims' Assistance Fund – This fund accounts for the surcharge on certain fines and tickets and can reimburse victims for out-of-pocket expenses.

E-911 Fund – This fund accounts for all emergency services and communications relating to emergency services.

Fairmount Investment Trust Fund – This fund accounts for the proceeds from the sale of cemetery lots. Interest earnings are restricted to maintenance of the cemetery by a transfer to the General Fund.

Library Fund – This fund accounts for the activity at the City Library.

Sales Tax Fund – This fund accounts for sales and use taxes collected. The taxes collected can be transferred to other entities within the City or can be used to benefit the City.

City of Lamar, Colorado
Budget and Actual
Conservation Trust
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 75,000	$ 75,000	$ 77,309
Investment earnings	800	800	161
Total revenues	75,800	75,800	77,470
EXPENDITURES			
Current:			
Culture and recreation	25,000	25,000	8,231
Capital Outlay	800	800	5,694
Total Expenditures	25,800	25,800	13,925
Excess (deficiency) of revenues over expenditures	50,000	50,000	63,545
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
Total other financing sources and uses	(50,000)	(50,000)	-
Net change in fund balances	-	-	63,545
Fund balances - beginning	286,315	286,315	282,605
Fund balances - ending	$ 286,315	$ 286,315	$ 346,150

City of Lamar, Colorado
Budget and Actual
Lamar Redevelopment Authority
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 156,000	$ 156,000	$ 179,445
Investment earnings	1,400	1,400	1,452
Miscellaneous	-	-	-
Total revenues	157,400	157,400	180,897
EXPENDITURES			
Current:			
General government	175,350	175,350	48,268
Total Expenditures	175,350	175,350	48,268
Excess (deficiency) of revenues over expenditures	(17,950)	(17,950)	132,629
Net change in fund balances	(17,950)	(17,950)	132,629
Fund balances - beginning	209,756	209,756	286,947
Fund balances - ending	$ 191,806	$ 191,806	$ 419,576

City of Lamar, Colorado
Budget and Actual
Victims Assistance
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	$ 12,000	$ 12,000	$ 7,927
Investment earnings	100	100	139
Miscellaneous	250	250	-
Total revenues	12,350	12,350	8,066
EXPENDITURES			
Current:			
Public Safety	16,400	16,400	12,508
Total Expenditures	16,400	16,400	12,508
Excess (deficiency) of revenues over expenditures	(4,050)	(4,050)	(4,442)
Net change in fund balances	(4,050)	(4,050)	(4,442)
Fund balances - beginning	52,384	52,384	67,696
Fund balances - ending	$ 48,334	$ 48,334	$ 63,254

City of Lamar, Colorado
Budget and Actual
E-911
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 328,830	$ 328,830	$ 325,000
Miscellaneous	-	-	3,621
Total revenues	328,830	328,830	328,621
EXPENDITURES			
Current:			
Public Safety	523,830	523,830	490,875
Total Expenditures	523,830	523,830	490,875
Excess (deficiency) of revenues over expenditures	(195,000)	(195,000)	(162,254)
OTHER FINANCING SOURCES (USES)			
Transfers in	195,000	195,000	195,000
Transfers out	-	-	-
Total other financing sources and uses	195,000	195,000	195,000
Net change in fund balances	-	-	32,746
Fund balances - beginning	77,581	77,581	41,520
Fund balances - ending	$ 77,581	$ 77,581	$ 74,266

City of Lamar, Colorado
Budget and Actual
Fairmount Investment Trust
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	$ 7,500	$ 10,000	$ 11,556
Investment earnings	1,500	1,500	1,150
Miscellaneous	-	-	441
Total revenues	9,000	11,500	13,147
EXPENDITURES			
Current:			
Health and sanitation	800	800	-
Capital Outlay	30,000	30,000	27,870
Total Expenditures	30,800	30,800	27,870
Excess (deficiency) of revenues over expenditures	(21,800)	(19,300)	(14,723)
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,500)	(1,500)	(1,106)
Total other financing sources and uses	(1,500)	(1,500)	(1,106)
Net change in fund balances	(23,300)	(20,800)	(15,829)
Fund balances - beginning	292,833	2,982,833	313,953
Fund balances - ending	$ 269,533	$ 2,962,033	$ 298,124

City of Lamar, Colorado
Budget and Actual
Library
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 20,000	$ 20,000	$ 6,389
Investment earnings	200	200	36
Miscellaneous	10,000	10,000	9,618
Total revenues	30,200	30,200	16,043
EXPENDITURES			
Current:			
Culture and recreation	30,200	30,200	16,084
Total Expenditures	30,200	30,200	16,084
Excess (deficiency) of revenues over expenditures	-	-	(41)
Net change in fund balances	-	-	(41)
Fund balances - beginning	63,225	63,225	65,938
Fund balances - ending	$ 63,225	$ 63,225	$ 65,897

City of Lamar, Colorado
Budget and Actual
Sales Tax
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Sales and miscellaneous taxes	$ 3,897,997	$ 4,347,997	$ 4,368,791
Fees and fines	8,500	8,500	4,664
Licenses and permits	15,000	15,000	16,505
Investment earnings	190	190	42
Miscellaneous	80	80	3,348
Total revenues	3,921,767	4,371,767	4,393,350
EXPENDITURES			
Current:			
General government	102,500	102,500	126,673
Total Expenditures	102,500	102,500	126,673
Excess (deficiency) of revenues over expenditures	3,819,267	4,269,267	4,266,677
OTHER FINANCING SOURCES (USES)			
Transfers out	(3,818,746)	(4,268,746)	(4,053,616)
Total other financing sources and uses	(3,818,746)	(4,268,746)	(4,053,616)
Net change in fund balances	521	521	213,061
Fund balances - beginning	48,145	48,145	399,907
Fund balances - ending	$ 48,666	$ 48,666	$ 612,968

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises. The costs of providing goods or services to the general public on a continuing basis are recovered primarily from user charges.

The following are the Enterprise Funds of the City:

Utility Fund – This fund accounts for all activities necessary for the provision of electrical services for area residents and businesses, including agricultural usage.

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

Sanitation Fund – This fund accounts for the provision of waste management services to City residents.

Ambulance Fund – This fund accounts for the activities necessary for the operation of the City's ambulance services.

City of Lamar, Colorado
Budget and Actual
Utility Fund
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	$ 15,587,321	$ 15,587,321	$ 14,824,427
Investment earnings	52,000	52,000	35,124
Miscellaneous	350,250	350,250	691,460
Total revenues	15,989,571	15,989,571	15,551,011
OPERATING EXPENSES			
Personal services	1,406,270	1,406,270	924,538
Purchased power	9,467,370	9,467,370	9,439,627
Repairs and maintenance	1,763,551	1,763,551	1,579,590
Other supplies and expenses	240,641	240,641	163,544
Insurance claims and expenses	280,000	280,000	287,122
Capital Outlay	985,000	985,000	481,450
Depreciation	900,000	900,000	790,905
Interest	40,541	40,541	36,390
Miscellaneous including debt service	357,500	357,500	468,815
Total Operating Expenses	15,440,873	15,440,873	14,171,981
Operating income (loss)	548,698	548,698	1,379,030
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,430,948)	(1,430,948)	(1,923,448)
Total other financing sources and uses	(1,430,948)	(1,430,948)	(1,923,448)
SPECIAL ITEM			
Special item - gain (loss) on sale of land	-	-	25,000
Net change in fund balances	(882,250)	(882,250)	(519,418)
Fund balances - beginning	-	-	19,784,547
ADJUSTMENTS:			
Capital Outlay	-	-	481,450
Debt Service	353,648	353,648	344,854
Fund balances - ending	$ (528,602)	$ (528,602)	$ 20,091,433

City of Lamar, Colorado
Budget and Actual
Water
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	$ 3,118,850	$ 3,218,850	$ 3,293,303
Investment earnings	-	-	3,783
Operating grants and contributions	2,801,760	2,801,760	440,238
Miscellaneous	14,500	14,500	22,021
Total revenues	5,935,110	6,035,110	3,759,345
OPERATING EXPENSES			
Personal services	670,359	670,359	657,004
Contractual services	18,500	18,500	26,239
Purchased power	219,000	219,000	272,005
Utilities	4,900	4,900	5,267
Repairs and maintenance	132,500	132,500	55,208
Other supplies and expenses	282,000	282,000	333,319
Insurance claims and expenses	72,691	72,691	67,343
Capital Outlay	3,067,050	3,067,050	291,952
Depreciation	465,000	465,000	428,499
Interest	82,817	82,817	108,911
Miscellaneous including debt service	517,342	617,342	780,472
Total Operating Expenses	5,532,159	5,632,159	3,026,219
Operating income (loss)	402,951	402,951	733,126
OTHER FINANCING SOURCES (USES)			
Transfers out	(402,951)	(402,951)	(402,951)
Total other financing sources and uses	(402,951)	(402,951)	(402,951)
Net change in fund balances	-	-	330,175
Fund balances - beginning	11,977,919	11,977,919	9,618,346
ADJUSTMENTS:			
Capital Outlay	3,227,050	3,227,050	291,952
Debt Service	496,477	496,477	763,599
Fund balances - ending	$ 15,701,446	$ 15,701,446	$ 11,004,072

City of Lamar, Colorado
Budget and Actual
Sanitation
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	$ 1,475,184	$ 1,775,184	$ 1,598,432
Investment earnings	4,000	4,000	2,436
Miscellaneous	9,500	9,500	27,343
Total revenues	1,488,684	1,788,684	1,628,211
OPERATING EXPENSES			
Personal services	519,523	519,523	509,888
Utilities	11,900	11,900	10,033
Repairs and maintenance	202,772	202,772	253,490
Other supplies and expenses	117,000	117,000	170,538
Insurance claims and expenses	22,582	22,582	21,574
Capital outlay	137,907	137,907	193,281
Depreciation and amortization	105,000	105,000	83,370
Interest	6,080	6,080	-
Miscellaneous	55,276	355,276	-
Total Operating Expenses	1,178,040	1,478,040	1,242,174
Operating income (loss)	310,644	310,644	386,037
OTHER FINANCING SOURCES (USES)			
Transfers out	(310,646)	(310,646)	(310,646)
Total other financing sources and uses	(310,646)	(310,646)	(310,646)
Net change in fund balances	(2)	(2)	75,391
Fund balances - beginning	2,409,077	2,409,077	1,999,326
ADJUSTMENTS:			
Capital Outlay	137,907	137,907	193,281
Fund balances - ending	$ 2,546,982	$ 2,546,982	$ 2,267,998

City of Lamar, Colorado
Budget and Actual
Ambulance
For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	$ 332,930	$ 332,930	$ 327,624
Investment earnings	70	70	22
Operating grants and contributions	131,250	131,250	126,090
Miscellaneous	19,706	544,014	251,084
Total revenues	483,956	1,008,264	704,820
OPERATING EXPENSES			
Personal services	308,889	308,889	302,865
Utilities	100	100	44
Repairs and maintenance	8,000	8,000	33,776
Other supplies and expenses	93,290	93,290	95,766
Insurance claims and expenses	23,523	23,523	22,162
Capital Outlay	-	524,308	122,876
Depreciation	43,000	43,000	70,293
Miscellaneous	34,000	34,000	97
Total Operating Expenses	510,802	1,035,110	647,879
Operating income (loss)	(26,846)	(26,846)	56,941
OTHER FINANCING SOURCES (USES)			
Transfers in	26,846	26,846	26,846
Total other financing sources and uses	26,846	26,846	26,846
SPECIAL ITEM			
Net change in fund balances	-	-	83,787
Fund balances - beginning	192,570	192,570	(16,284)
ADJUSTMENTS:			
Capital Outlay	-	-	122,876
Fund balances - ending	$ 192,570	$ 192,570	$ 190,379

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Lamar
		YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _) City of Lamar	Prepared By: Phone:	Kristin McCrea 719-336-1373

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	1,437,682
4. Miscellaneous local receipts (from page 2)	11,354
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,449,036
B. Private Contributions	
C. Receipts from State government (from page 2)	275,793
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,724,829

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	605,043
2. Maintenance:	502,559
3. Road and street services:	
a. Traffic control operations	8,072
b. Snow and ice removal	
c. Other	177,221
d. Total (a. through c.)	185,293
4. General administration & miscellaneous	43,121
5. Highway law enforcement and safety	388,813
6. Total (1 through 5)	1,724,829
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,724,829

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,724,829	1,724,829		0

Notes and Comments:

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	45,630	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	11,354
1. Sales Taxes	1,341,405	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	50,647	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,392,052	h. Other	
c. Total (a. + b.)	1,437,682	i. Total (a. through h.)	11,354
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	247,459	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	28,334	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	28,334	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	275,793	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		3,807	3,807
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		354,252	354,252
(4). System Enhancement & Operation		246,984	246,984
(5). Total Construction (1) + (2) + (3) + (4)	0	601,236	601,236
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	605,043	605,043
			(Carry forward to page 1)

Notes and Comments:

City of Lamar, Colorado
Schedule of Federal Awards Expended
for the year ended December 31, 2020

GRANT TITLE	PASS-THRU AGENCY	FEDERAL CFDA NUMBER	AMOUNT OF AWARD EXPENDED	
DEPARTMENT OF TRANSPORTATION:				
LMR-9	Colorado Dept of Transportation	20.205	$ 343,040	
TAP Lamar Main Street Streetscape	Colorado Dept of Transportation	20.205	323,366	
Airport Improve Project	Federal Aviation Administration	20.106	51,993	718,399
DEPARTMENT OF TREASURY:				
CVRF Funds Covid 2020	Colo. Dept of Local Affairs	21.019	552,062	
CARES Act	Colo. Dept of Local Affairs	21.019	11,234	563,296
DEPARTMENT OF THE INTERIOR:				
Main Street Replacement	Colo. Dept of Local Affairs	15.227	707,561	707,561
DEPARTMENT OF JUSTICE:				
BPV	Colo. Dept of Justice	16.607	1,054	1,054
ENVIRONMENTAL PROTECTION AGENCY:				
Brownfield Assessment Grant	US Environmental Protection Agency	66.818	220,207	
Main Street Replacement Project	Colo. Dept of Local Affairs	66.468	200,796	421,003
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Medical Assistance Program	Colo. Dept of Human Services	93.778	34,194	34,194
TOTAL FEDERAL FINANCIAL AWARDS				$ 2,445,507

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Lamar and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the federal requirements.

The City does not use the minimum indirect cost rate.

City of Lamar, Colorado
Schedule of Findings and Questioned Costs
December 31, 2020

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified.

Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	_X_ None noted
• Significant deficiency(ies) identified?	____ Yes	_X_ None reported
Noncompliance material to financial statements noted?	____ Yes	_X_ None noted

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	____ Yes	_X_ None noted
• Significant deficiency(ies) identified?	____ Yes	_X_ None noted
Type of auditor's report issued on compliance for major federal programs: unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	_X_ None noted
Identification of major federal programs:		
CFDA Number(s):	Name of Federal Program or Cluster:	
15.227	Dept. of the Interior Co Main Street Replacement	
21.019	Coronavirus Relief Funds Covid 2020	
Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as a low-risk auditee?	____ Yes	_X_ No

Section II: Financial Statement Findings

There were not any findings.

Section III: Federal Awards Findings

There were not any findings.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Members of City Council
City of Lamar, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lamar (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

p o box 1173 203 east oak st. lamar, colorado 81052 (719) 336-7428 (719) 336-2982

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

rfarmer, llc

June 15, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditor's Report

Members of City Council
City of Lamar, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of Lamar's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

p o box 1173 203 east oak st. lamar, colorado 81052 (719) 336-7428 (719) 336-2982

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

rfarmer, llc

June 15, 2021