

**CITY OF
FLORENCE, COLORADO**

BASIC FINANCIAL STATEMENTS

December 31, 2021

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Opinions

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 Florence (the "City"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the City's proportionate share of its net pension liability, and the schedule of the City's contributions to the defined benefit pension plan on pages 38-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

PB Solutions LLC

Littleton, Colorado
June 16, 2022

City of Florence Management's Discussion and Analysis

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the City of Florence's (City) financial condition and operating results and to disclose to the reader important financial activities and issues related to the City's basic operations and mission.

The City has two separate financial categories or activities - government-type activities and those covered or referred to as business type activities. Within the government type activities, the City Council has designated eleven separate budgets: a General Fund, a Police Equipment/Supplies Fund, an Equipment Replacement Fund, a Conservation Trust Fund, a Capital Improvements Fund, a Community Projects Fund, a Cemetery Construction Fund, a Pool, Park and Recreation Fund, a Capital Projects Fund, a Recreation Fund, and a Perpetual Care Trust Fund. The government type activities are funded through the City's ad-valorem property tax, sales and use taxes, highway user's tax and fees for services. The business type activities are in one Enterprise: The Water Fund. The Water Fund receives revenue through water sales, water tap fees and other fees.

The City also maintains one custodial fund, the School Land Dedication Fees Fund, which is used to pass through funds received for special projects. The City has no discretion on the utilization of the funds in the School Land Dedication Fees Fund.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of four parts - management's *discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other supplemental schedules*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the City as a whole and include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in net position. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health, or *financial position*. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base, are needed to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental Activities** - The activity of the City for its General Fund (which includes the Police Equipment/Supplies Fund, Equipment Replacement Fund, and the Capital Improvement Fund), Conservation Trust, Capital Projects Fund (which includes the Community Projects Fund and the Cemetery Construction Fund), the Pool, Park and Recreation Fund (which includes the Recreation Fund) are reported here. Property taxes, specific ownership taxes, highway user's tax, sales tax, fees for services and interest income are the sources that fund most of these activities.
- **Business-Type Activities** - The City manages one enterprise fund, the Water Fund. The Water Fund develops and operates the City's water supply and assets and the water supply and assets of the Regional Water System.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant funds - not the City as a whole. The City's two kinds of funds *governmental and proprietary* - use different accounting principles.

Governmental fund - The City's activity of its General and special revenue funds are reported as governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end. Governmental funds report using an accounting principle called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Proprietary (Enterprise) fund - the activity of the City's Enterprise fund is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities reported in the governmental-wide statements but provide more detail and additional information, such as cash flows.

The other financial statements included are for the City's Agency Fund and also include notes that explain some of the information in the financial statements and provide more detailed data.

HIGHLIGHTS

Governmental Activities

- Total assets and deferred outflows for governmental activities on December 31, 2021, were \$7,481,637.
- Total liabilities and deferred inflows for governmental activities on December 31, 2021, were \$1,567,115
- Total net position was increased by \$98,414 to \$5,914,522.

Business-type Activities

- In 2021, total assets were \$29,610,417 compared to \$31,195,078 at the end of fiscal year 2020. This is a decrease of \$1,584,661 in 2021, revenues from water sales decreased by \$101,448 from \$4,267,041 to \$4,165,593.
- Total Enterprise liabilities decreased from \$15,454,378 in 2020 to \$13,817,754 in 2021 a decrease of \$1,636,624.
- Total net position increased by \$337,336 to \$16,078,036 on December 31, 2021.

STATEMENTS OF NET POSITION

The perspective of the statement of net position is of the City as a whole. Following is a summary of the City's net position for 2021 and 2020:

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 5,697,881	\$ 4,664,612	\$ 9,568,041	\$ 10,189,538	\$ 15,265,922	\$ 14,854,150
Capital assets	1,523,470	1,749,171	20,042,376	21,005,540	21,565,846	\$ 22,754,711
Total assets	7,221,351	6,413,783	29,610,417	31,195,078	36,831,768	37,608,861
Deferred outflows of resource:	260,286	287,803	285,373		260,286	287,803
Long-term debt outstanding	78,563	62,441	13,752,615	15,382,112	13,831,178	15,444,553
Other liabilities	621,791	117,138	65,139	72,266	686,930	189,404
Total liabilities	700,354	179,579	13,817,754	15,454,378	14,518,108	15,633,957
Deferred Inflows of Resources						
Related to pensions	143,271	88,750	-	-	143,271	88,750
Deferred Property Tax Revent	723,490	617,149	-	-	723,490	617,149
Net Position						
Net Investment in Capital Ass:	1,523,470	1,749,171	6,289,761	5,623,428	7,813,231	7,372,599
Restricted	1,657,988	1,422,250	-	-	1,657,988	1,422,250
Unrestricted	2,733,064	2,644,687	9,788,275	10,117,272	12,521,339	12,761,959
Total Net Position	\$ 5,914,522	\$ 5,816,108	\$ 16,078,036	\$ 15,740,700	\$ 21,992,558	\$ 21,556,808

The change in net position for the Governmental Activities was a increase of \$98,414. The change in net position for the Business-Type Activities was an increase of \$337,336 with an overall increase of \$435,750.

STATEMENTS OF ACTIVITIES

The perspective of the statement of activities is of the City as a whole. The following table reflects the change in net position for fiscal year 2021 and 2020.

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Charges for services	\$ 657,926	\$ 435,940	\$ 4,025,721	\$ 4,164,601	\$ 4,683,647	\$ 4,600,54
Operating grants and contributions	313,043	390,167	-	-	313,043	390,16
Capital grants and contributions	-	9,465	139,872	102,440	139,872	111,90
Total Program Revenues	970,969	835,572	4,165,593	4,267,041	5,136,562	5,102,61
General Revenues:						
Property taxes	614,927	603,155	-	-	614,927	603,15
Sales and use taxes	1,694,399	1,447,383	-	-	1,694,399	1,447,38
Other general revenues	564,290	632,866	75,079	181,833	639,369	814,69
Total General Revenues	2,873,616	2,683,404	75,079	181,833	2,948,695	2,865,23
Total Revenue	3,844,312	3,518,976	4,240,672	4,448,874	8,085,257	7,967,85
Program Expenses:						
General government	1,040,158	1,246,231	-	-	1,040,158	1,246,23
Public Safety	1,585,059	1,516,321	-	-	1,585,059	1,516,32
Public works	1,218,316	924,836	-	-	1,218,316	924,83
Planning and building	181,800	164,572	-	-	181,800	164,57
Parks and recreation	294,046	273,924	-	-	294,046	273,92
Water	-	-	2,942,032	2,877,747	2,942,032	2,877,74
Interest on long-term debt	-	242	388,096	630,631	388,096	630,87
Total Expenses	4,319,379	4,126,126	3,330,128	3,508,378	7,649,507	7,634,50
Transfers	573,208	506,560	(573,208)	(506,560)	-	-
Increase (Decrease) in Net Position	98,414	(100,590)	337,336	433,936	435,750	333,34
Beginning Net Position	5,816,108	5,916,698	15,740,700	15,306,764	21,556,808	21,223,46
Ending Net Position	\$ 5,914,522	\$ 5,816,108	\$ 16,078,036	\$ 15,740,700	\$ 21,992,558	\$ 21,556,80

Budgetary Analysis of the General Fund

CAPITAL ASSETS AND DEBT ADMINISTRATION - CITY WIDE

At year-end the City had \$20,042,376 invested in a broad range of capital assets including buildings, vehicles and other equipment, and water treatment facilities. The table below summarizes the capital assets owned by the City.

DEBT OUTSTANDING

The City's business-type activities long-term debt consists of water revenue bonds and a loan. During 2013, the City refunded the 2003A series bond and issued Series 2013A and 2013B. In 2021 the City refinanced the 2013A and 2013B Bonds and issued Series 2021A and 2021B. As of December 31, 2021, the outstanding balance of both bonds and loans is \$13,766,324. Activity for Governmental Activities and Business-Type Activities during the year are as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated Absences	62,441	16,122	-	78,563	-
Total Governmental Activities	<u>\$ 62,441</u>	<u>\$ 16,122</u>	<u>\$ -</u>	<u>\$ 78,563</u>	<u>\$ -</u>
Business-Type Activities					
Notes from Direct Borrowings	\$ 4,730,069	\$ -	\$ 890,454	\$ 3,839,615	\$ 911,522
Revenue Refunding bonds	10,520,000	9,973,000	10,580,000	9,913,000	68,000
Bond Premium	132,043	-	132,043	-	-
Compensated Absences	8,519	5,190	-	13,709	-
Total	<u>\$ 15,390,631</u>	<u>\$ 9,978,190</u>	<u>\$ 11,602,497</u>	<u>\$ 13,766,324</u>	<u>\$ 979,522</u>

ECONOMIC AND OTHER FACTORS

The economy of the City of Florence, and the surrounding region, continues to grow at a rapid rate, sales tax and property values have been enjoying good economic times.

In November 2005, the voters approved an additional 1/2% sales tax to fund pool operations and construction of a new pool. This tax started January 1, 2006. The tax was approved with a 10-year clause that did sunset December 2015. This 1/2% sales tax was extended by the voters to be used for street repairs starting January 1, 2016.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Finance Officer
City of Florence
600 West Third Street
Florence, CO 81226
Tel: (719) 748-4848 ext. 223
Fax: (719) 784-0228

BASIC FINANCIAL STATEMENTS

CITY OF FLORENCE, COLORADO

STATEMENT OF NET POSITION

December 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 4,485,899	\$ 9,188,658	\$ 13,674,557
Receivables			
Property Taxes	723,490	-	723,490
Sales and Other	332,982	-	332,982
Accounts	-	289,544	289,544
Prepaid Expenses	9,603	-	9,603
Inventory	-	89,839	89,839
Capital Assets, Not Depreciated	131,628	1,235,127	1,366,755
Capital Assets, Depreciated, Net of Accumulated Depreciation	1,391,842	18,807,249	20,199,091
Net Pension Asset	145,907	-	145,907
TOTAL ASSETS	7,221,351	29,610,417	36,831,768
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	260,286	-	260,286
Deferred Charges	-	285,373	285,373
TOTAL DEFERRED OUTFLOWS OF RESOURCES	260,286	285,373	545,659
LIABILITIES			
Accounts Payable	44,242	11,152	55,394
Accrued Expenses	72,242	5,169	77,411
Unearned Revenue	505,307	-	505,307
Deposits	-	4,208	4,208
Accrued Interest Payable	-	30,901	30,901
Noncurrent Liabilities			
Due Within One Year	-	979,522	979,522
Due in More Than One Year	-	12,773,093	12,773,093
Compensated Absences	78,563	13,709	92,272
TOTAL LIABILITIES	700,354	13,817,754	14,518,108
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	143,271	-	143,271
Deferred Property Tax Revenue	723,490	-	723,490
TOTAL DEFERRED INFLOWS OF RESOURCES	866,761	-	866,761
NET POSITION			
Net Investment in Capital Assets	1,523,470	6,289,761	7,813,231
Restricted	1,657,988	-	1,657,988
Unrestricted	2,733,064	9,788,275	12,521,339
TOTAL NET POSITION	\$ 5,914,522	\$ 16,078,036	\$ 21,992,558

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

CITY OF FLORENCE, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,040,158	\$ 294,178	\$ 52,141	\$ -
Public Safety	1,585,059	111,286	58,421	-
Public Works	1,218,316	187,718	154,968	-
Planning	181,800	-	-	-
Parks and Recreation	294,046	64,744	47,513	-
Total Governmental Activities	4,319,379	657,926	313,043	-
Business-Type Activities				
Water	2,942,032	4,025,721	-	139,872
Interest and Fiscal Charges	395,200	-	-	-
Total Business-Type Activities	3,337,232	4,025,721	-	139,872
GENERAL REVENUES				
Local Property Taxes				
Specific Ownership Taxes				
Sales and Use Tax				
Other Taxes				
Other Revenues				
Earnings on Investments				
Transfers				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND CHANGES
CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (693,839)	\$ -	\$ (693,839)
(1,415,352)	-	(1,415,352)
(875,630)	-	(875,630)
(181,800)	-	(181,800)
(181,789)	-	(181,789)
<u>(3,348,410)</u>	<u>-</u>	<u>(3,348,410)</u>
-	1,223,561	1,223,561
-	(395,200)	(395,200)
<u>-</u>	<u>828,361</u>	<u>828,361</u>
614,927	-	614,927
100,452	-	100,452
1,694,399	-	1,694,399
10,266	-	10,266
444,478	75,079	519,557
9,094	7,104	16,198
573,208	(573,208)	-
<u>3,446,824</u>	<u>(491,025)</u>	<u>2,955,799</u>
98,414	337,336	435,750
<u>5,816,108</u>	<u>15,740,700</u>	<u>21,556,808</u>
<u>\$ 5,914,522</u>	<u>\$ 16,078,036</u>	<u>\$ 21,992,558</u>

CITY OF FLORENCE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Investments	\$ 2,611,820	\$ 1,874,079	\$ 4,485,899
Taxes Receivable	723,490	-	723,490
Accounts Receivable	284,599	48,383	332,982
Prepaid Expenses	9,603	-	9,603
TOTAL ASSETS	<u>\$ 3,629,512</u>	<u>\$ 1,922,462</u>	<u>\$ 5,551,974</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 44,242	\$ -	\$ 44,242
Accrued Expenses	72,242	-	72,242
Unearned Revenues	505,307	-	505,307
TOTAL LIABILITIES	<u>621,791</u>	<u>-</u>	<u>621,791</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenues	<u>723,490</u>	<u>-</u>	<u>723,490</u>
FUND BALANCES			
Nonspendable	9,603	-	9,603
Restricted	105,000	1,552,988	1,657,988
Committed	-	369,474	369,474
Unassigned	2,169,628	-	2,169,628
TOTAL FUND BALANCES	<u>2,284,231</u>	<u>1,922,462</u>	<u>4,206,693</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 3,629,512</u></u>	<u><u>\$ 1,922,462</u></u>	<u><u>\$ 5,551,974</u></u>

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

CITY OF FLORENCE, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2021

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

Total fund balances of governmental funds	\$ 4,206,693
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Capital Assets, Not Depreciated	131,628	
Capital Assets, Depreciated	6,417,632	
Accumulated Depreciation	<u>(5,025,790)</u>	1,523,470

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

Compensated Absences	(78,563)	
Net Pension Asset	<u>145,907</u>	67,344

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

Deferred outflows of resources - Related to Pension Plan	260,286	
Deferred inflows of resources - Related to Pension Plan	<u>(143,271)</u>	<u>117,015</u>

Net position of governmental activities	<u><u>\$ 5,914,522</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF FLORENCE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property Taxes	\$ 614,927	\$ -	\$ 614,927
Specific Ownership Taxes	100,452	-	100,452
Sales and Use Taxes	1,356,586	337,813	1,694,399
Franchise Fees	193,285	-	193,285
Intergovernmental Revenue	275,796	47,513	323,309
Licenses and Permits	111,681	-	111,681
Charges for Services	395,081	35,404	430,485
Fines and Forfeitures	115,760	-	115,760
Sale of Assets	93,172	-	93,172
Earnings on Investments	8,029	1,065	9,094
Miscellaneous	157,521	500	158,021
TOTAL REVENUES	<u>3,422,290</u>	<u>422,295</u>	<u>3,844,585</u>
EXPENDITURES			
Current			
General Government	1,008,046	-	1,008,046
Public Safety	1,531,870	-	1,531,870
Public Works	998,067	-	998,067
Planning	181,800	-	181,800
Parks and Recreation	152,778	81,710	234,488
Capital Outlay	-	140,746	140,746
Debt Service			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>3,872,561</u>	<u>222,456</u>	<u>4,095,017</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(450,271)</u>	<u>199,839</u>	<u>(250,432)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	618,208	16,732	634,940
Transfers Out	<u>(16,732)</u>	<u>(45,000)</u>	<u>(61,732)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>601,476</u>	<u>(28,268)</u>	<u>573,208</u>
NET CHANGE IN FUND BALANCES	151,205	171,571	322,776
FUND BALANCES, Beginning	<u>2,133,026</u>	<u>1,750,891</u>	<u>3,883,917</u>
FUND BALANCES, Ending	<u>\$ 2,284,231</u>	<u>\$ 1,922,462</u>	<u>\$ 4,206,693</u>

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

CITY OF FLORENCE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

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

Net change in fund balances - total governmental funds		\$ 322,776
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
	Capital Outlay	255,731
	Depreciation	<u>(481,432)</u>
		(225,701)
<p>Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.</p>		
	Capital Leases Principal Payments	-
	Changes in Compensated Absences	<u>(16,122)</u>
		(16,122)
<p>Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.</p>		
	Changes in deferred charges related to Pension Plan	<u>17,461</u>
		<u>17,461</u>
Change in net position of governmental activities		<u>\$ 98,414</u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 December 31, 2021

	<u>WATER</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 9,188,658
Restricted Cash and Investments	-
Accounts Receivable	289,544
Inventory	<u>89,839</u>
Total Current Assets	<u>9,568,041</u>
Noncurrent Assets	
Capital Assets, Not Being Depreciated	1,235,127
Capital Assets, Net of Accumulated Depreciation	<u>18,807,249</u>
Total Noncurrent Assets	<u>20,042,376</u>
TOTAL ASSETS	<u>29,610,417</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charges	<u>285,373</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	11,152
Accrued Expenses	5,169
Accrued Interest Payable	30,901
Bonds Payable, Current Portion	68,000
Notes Payable, Current Portion	<u>911,522</u>
Total Current Liabilities	<u>1,026,744</u>
Noncurrent Liabilities	
Deposits	4,208
Accrued Compensated Absences	13,709
Bonds Payable	9,845,000
Notes Payable	<u>2,928,093</u>
Total Noncurrent Liabilities	<u>12,791,010</u>
NET POSITION	
Net Investment in Capital Assets	16,202,761
Unrestricted	<u>(124,725)</u>
TOTAL NET POSITION	<u>\$ 16,078,036</u>

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

CITY OF FLORENCE, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2021

	WATER
OPERATING REVENUES	
Charges for Services	\$ 2,738,980
Debt Retirement	1,286,741
Other Revenues	75,079
TOTAL OPERATING REVENUES	4,100,800
OPERATING EXPENSES	
Administration	170,110
Personnel Services	608,201
Water System	758,235
Water Distribution	87,933
Depreciation	1,242,027
Capital Outlay	75,526
TOTAL OPERATING EXPENSES	2,942,032
NET OPERATING INCOME	1,158,768
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	7,104
Interest Expense	(395,200)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(388,096)
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	770,672
Tap Fees	139,872
Capital Contributions	-
Transfers Out	(573,208)
CHANGE IN NET POSITION	337,336
NET POSITION, Beginning	15,740,700
NET POSITION, Ending	\$ 16,078,036

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

CITY OF FLORENCE, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND

Year Ended December 31, 2021
 Increase (Decrease) in Cash and Cash Equivalents

	<u>WATER</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 3,960,104
Cash Paid to Suppliers and Employees	(1,677,860)
Net Cash Provided by Operating Activities	<u>2,282,244</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Payments to/from Other Funds	(573,208)
Net Cash Used by Noncapital Financing Activities	<u>(573,208)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(278,863)
Principal Payments on Long Term Debt	(1,497,454)
Interest Payments	(837,292)
Tap Fees and Capital Contributions	139,872
Net Cash Used by Capital Financing Activities	<u>(2,473,737)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>7,104</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(757,597)
CASH AND CASH EQUIVALENTS, Beginning	<u>9,946,255</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 9,188,658</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 1,158,768
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	1,242,027
Changes in Assets and Liabilities	
Accounts Receivable	(140,696)
Inventory	4,596
Accounts Payable	11,152
Accrued Expenses	1,207
Accrued Compensated Absences	5,190
Total Adjustments	<u>1,123,476</u>
Net Cash Provided by Operating Activities	<u>\$ 2,282,244</u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND - SCHOOL DEDICATION FEES
Year Ended December 31, 2021

	<u>CUSTODIAL FUND</u>
ASSETS	
Cash and Investments	<u>\$ 18,520</u>
LIABILITIES	
Accrued Expenses	<u>-</u>
NET POSITION	
Restricted for Other Government	<u>18,520</u>
TOTAL NET POSITION	<u><u>\$ 18,520</u></u>

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

The City of Florence, Colorado (the “City”) was incorporated in 1887. The City is governed by a city manager and a seven-member council (including the mayor) elected by the residents.

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

Reporting Entity

The financial reporting entity consists of the City and organizations for which the City is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. In addition, any legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the City.

Based upon the application of these criteria, the City does not include any additional organizations in its reporting entity.

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

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

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual funds are reported as separate columns in the fund financial statements.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

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, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

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

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

Permanent Fund – The *Perpetual Care Fund* accounts for activities of the City's cemetery, including the sale of plots and maintenance.

Custodial Fund – The *School Dedication Fees Fund* accounts for funds dedicated to the Fremont County School District. The City holds the assets in a purely custodial capacity.

Assets, Liabilities, and Fund Balance/Net Position

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

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

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

Inventory - Inventories are recorded under the cost method. These items are recorded as expenditures when purchased throughout the year to facilitate budgetary comparisons.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-30 years
Pool	5 -30 years
Plant	5-50 years
Water Treatment and Distribution System	20-50 years
Regional Assets	10 – 40 years
Infrastructure	10 years
Machinery and Equipment	3-10 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Compensated Absences – City employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Upon termination of employment, employees are entitled to receive compensation for any unused vacation time, up to a maximum number of hours the employee has earned during the previous year of employment, at their current rate of pay. These compensated absences are expended when paid in the governmental fund types. Compensated absences are expended when earned in the proprietary fund type. A long-term liability in the amount of \$78,563 and \$13,709 has been recorded in the governmental activities and business-type activities, respectively, in the statement of net position for the accrued benefits.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. The County Treasurer’s Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

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

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

Restricted Net Position are liquid assets, which have third party limitations on their use.

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

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

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The reports prepaid expenses as nonspendable fund balances on December 31, 2021.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the City reports restricted fund balances in the Conservation Trust Fund, Pool Park and Recreation Fund, Street Improvement Fund, and Perpetual Care Reserve Fund. These balances are restricted for capital and infrastructure improvements, and parks and recreation.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City reports the fund balance in the Capital Projects Fund as committed resources for the respective fund purpose as of December 31, 2021.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

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

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The City does not report any assigned fund balances as of December 31, 2021.

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

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

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss.

Subsequent Events

The City has evaluated events subsequent to the year ended December 31, 2021 through June 16, 2022, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

State Compliance

At December 31, 2021, actual expenditures in the General Fund, Conservation Trust Fund, and Water Fund exceeded budgeted amounts by \$140,721, \$12, and \$79,863, respectively. This may be a violation of state statute.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CASH AND INVESTMENTS

Cash and investments on December 31, 2021 consist of the following:

Petty Cash	\$ 800
Deposits	1,860,419
Investments	<u>11,831,858</u>
Total	<u>\$ 13,693,077</u>

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

Cash and Investments - Governmental Activities	\$ 4,485,899
Cash and Investments - Business-Type Activities	9,188,658
Cash and Investments - Custodial Funds	<u>18,520</u>
Total	<u>\$ 13,693,077</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. On December 31, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

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

On December 31, 2021, the City had deposits with financial institutions with a carrying amount of \$1,860,419. The bank balances with the financial institutions were \$1,906,379. Of these balances, \$1,007,160 was covered by federal depository insurance and \$899,219 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

Investments

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

Interest Rate Risk

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

Credit Risk

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

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

Concentration of Credit Risk

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

Investments (Continued)

Local Government Investment Pools

The City had invested \$11,831,858 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 125,693	\$ -	\$ -	\$ 125,693
Easements	5,935	-	-	5,935
Total Capital Assets, Not Depreciated	<u>131,628</u>	<u>-</u>	<u>-</u>	<u>131,628</u>
Capital Asset, Being Depreciated				
Buildings and Improvements	2,275,029	26,854	-	2,301,883
Pool	611,460	-	-	611,460
Infrastructure	2,106,964	-	-	2,106,964
Machinery and Equipment	1,201,380	228,877	32,932	1,397,325
Total Capital Assets, Being Depreciated	<u>6,194,833</u>	<u>255,731</u>	<u>32,932</u>	<u>6,417,632</u>
Accumulated Depreciation				
Buildings and Improvements	1,731,752	139,404	-	1,871,156
Pool	509,479	25,850	-	535,329
Infrastructure	1,365,510	182,308	-	1,547,818
Machinery and Equipment	970,549	133,870	32,932	1,071,487
Total Depreciation	<u>4,577,290</u>	<u>481,432</u>	<u>32,932</u>	<u>5,025,790</u>
Capital Assets, Depreciated Net	<u>1,617,543</u>	<u>(225,701)</u>	<u>-</u>	<u>1,391,842</u>
Net Capital Assets	<u>\$ 1,749,171</u>	<u>\$ (225,701)</u>	<u>\$ -</u>	<u>\$ 1,523,470</u>

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

Governmental Activities	
General Government	\$ 130,975
Public Safety	70,650
Public Works	220,249
Parks and Recreation	<u>59,558</u>
Total	<u>\$ 481,432</u>

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
Business-Type Activities				
Capital Assets, Not Depreciated				
Land	\$ 79,425	\$ -	\$ -	\$ 79,425
Water Rights	1,155,702	-	-	1,155,702
Total Capital Assets, Not Depreciated	<u>1,235,127</u>	<u>-</u>	<u>-</u>	<u>1,235,127</u>
Capital Asset, Being Depreciated				
Water Treatment Plant	4,623,399	-	-	4,623,399
Transmission and Distribution	7,499,542	-	-	7,499,542
Regional Assets	28,138,879	-	-	28,138,879
Machinery and Equipment	2,286,220	278,863	-	2,565,083
Total Capital Assets, Being Depreciated	<u>42,548,040</u>	<u>278,863</u>	<u>-</u>	<u>42,826,903</u>
Accumulated Depreciation				
Water Treatment Plant	3,352,289	160,176	-	3,512,465
Transmission and Distribution	5,082,914	226,296	-	5,309,210
Regional Assets	12,742,311	730,975	-	13,473,286
Machinery and Equipment	1,600,113	124,580	-	1,724,693
Total Depreciation	<u>22,777,627</u>	<u>1,242,027</u>	<u>-</u>	<u>24,019,654</u>
Capital Assets, Depreciated Net	<u>19,770,413</u>	<u>(963,164)</u>	<u>-</u>	<u>18,807,249</u>
Net Capital Assets	<u>\$ 21,005,540</u>	<u>\$ (963,164)</u>	<u>\$ -</u>	<u>\$ 20,042,376</u>

NOTE 5: LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended December 31, 2021:

Governmental Activities	12/31/2020			12/31/2021	
	Balance	Increases	Decreases	Balance	Due Within One Year
Compensated Absences	<u>\$ 62,441</u>	<u>\$ 16,122</u>	<u>\$ -</u>	<u>\$ 78,563</u>	<u>\$ -</u>

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities	12/31/2020			12/31/2021	
	Balance	Increases	Decreases	Balance	Due Within One Year
Revenue Refunding Bonds	\$10,520,000	\$9,973,000	\$10,580,000	\$9,913,000	\$ 68,000
Notes from direct borrowings	4,730,069	-	890,454	3,839,615	911,522
Bond Premium	132,043	-	132,043	-	-
Compensated Absences	8,519	5,190	-	13,709	-
Total	\$15,390,631	\$9,978,190	\$11,602,497	\$13,766,324	\$ 979,522

Water Revenue Refunding and Improvement Bond Series 2013A and 2013B

In May 2013, the City issued Water Revenue Refunding and Improvement Bonds Series 2013A and 2013B in the amount of \$9,770,000 and \$1,000,000, respectively. Proceeds of the bonds were used to refund all of the outstanding Water Revenue Refunding Bonds, Series 2003A, finance the construction and acquisition of capital projects, and to fund the bond reserve account and issuance costs. The bonds carried interest rates ranging from 3% to 5%. In January, 2021 the bonds were paid in full with the proceeds from the issuance of the Water Enterprise Revenue Refunding Bonds, Series 2021A and 2021B.

Water Enterprise Revenue Refunding Bonds, Series 2021A and 2021B

In January 2021, the City issued Water Enterprise Revenue Refunding Bonds, Series 2021A and 2021B in the amount of \$9,184,000 and \$789,000, respectively. Proceeds of the bonds were used to refund the City's Series 2013A and 2013B Water Revenue Refunding and Improvement Bonds. The 2021A bonds carry an interest rate of 2.97% and the 2021B bonds carry an interest rate of 2.15%. Semi-annual interest payments are due on June 1 and December 1 and principal payments are due annually on December 1. The 2021A bonds mature on December 1, 2033 and the 2021B bonds mature on December 1, 2026.

Defeased Debt and Refundings

The net proceeds of the 2021 bonds of \$9,884,197 (after issue costs of \$88,803) along with funding from the City's Water Fund bond reserves in the amount of \$1,077,000 were deposited into an irrevocable trust with an escrow agent to provide funding for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the related liability for the bonds has been removed from the City's liabilities.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

On December 1, 2021, the defeased bonds were paid in full.

The advance refunding of the 2013 bonds reduced the present value of the future debt service payments. The City's net present value benefit of the advance refunding is \$1,427,793. The savings were available due to improved bond market conditions (i.e., lower interest rates).

The reacquisition price exceeded the net carrying amount of the old debt by \$309,154. This amount has been deferred and is being amortized over the remaining life of the refunded debt.

The annual debt service requirements on the outstanding bonds are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 68,000	\$ 296,049	\$ 364,049
2023	73,000	99,698	372,698
2024	97,000	22,260	419,260
2025	545,000	768,254	1,313,254
2026	900,000	1,111,980	2,011,980
2027-2031	5,746,000	6,452,670	12,198,670
2032-3033	2,484,000	2,571,703	5,055,703
Total	<u><u>\$ 9,913,000</u></u>	<u><u>\$11,822,614</u></u>	<u><u>\$21,735,614</u></u>

Notes from Direct Borrowings

2003 Colorado Water Resources and Power Development Authority (CWRPDA) Loan

In November 2003, the City entered into a loan agreement with CWRPDA in the amount of \$12,999,093. Proceeds of the loan were used to finance costs of water facilities. The loan carries an interest rate of 3.51%. Principal and interest payments in the amount of \$53,939 are due semi-annually on June 1 and December 1 through 2025. On December 31, 2021, the outstanding balance on the loan is \$2,839,904.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Notes from Direct Borrowings (Continued)

2005 Colorado Water Resources and Power Development Authority (CWRPDA) Drinking Water Revolving Fund Direct Loan

In December 2004, the City entered into an agreement with CWRPDA to obtain a Drinking Water Revolving Fund Direct Loan in the amount of \$800,000. Proceeds of the loan were used to finance improvements to the City's south water treatment plant, acquiring and constructing finished water storage facilities and finished water pipelines, and raw water conveyance and consolidation for the south water treatment plant. The loan carries an interest rate of 3.5%. Principal and interest payments in the amount of \$53,939 are due semi-annually on June 1 and December 1 through 2025. On December 31, 2021, the outstanding balance on the loan is \$199,711.

2009 Colorado Water Resources and Power Development Authority (CWRPDA) Drinking Water Revolving Fund ARRA Direct Loan

In October 2009, the City entered into an agreement with CWRPDA to obtain a Drinking Water Revolving Fund ARRA Direct Loan in the amount of \$2,000,000. Proceeds of the loan were used to provide funding for drilling, testing, and construction of two additional wells. The loan carries no interest. Principal payments in the amount of \$50,000 are due semi-annually on June 1 and December 1 through 2029. On December 31, 2021, the outstanding balance on the loan is \$800,000.

The annual debt service requirements on the outstanding notes are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$ 911,522	\$ 1,053,871	\$ 1,965,393
2023	943,761	1,053,946	1,997,707
2024	995,510	1,035,083	2,030,593
2025	588,822	593,432	1,182,254
2026	100,000	-	100,000
2027-2029	300,000	-	300,000
Total	\$ 3,839,615	\$ 3,736,332	\$ 7,575,947

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: INTERFUND TRANSFERS

During the year ended December 31, 2021, the Water Fund and the Conservation Trust Fund transferred \$573,208 and \$45,000, respectively, to the General Fund to cover administrative expenses. The General Fund transferred \$7,335 to the Capital Projects Fund, \$49 to the Pool, Park, and Recreation Fund, and \$9,348 the Perpetual Care Reserve Fund to cover capital and administrative expenses.

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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

General Information about the SWDBP

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

General Information about the SWDBP (Continued)

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

The following types of retirement are available under the SWDBP:

- Normal: 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Early: 30 years of service or age 50 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05). The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the receipt of the benefit.
- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

General Information about the SWDBP (Continued)

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

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

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

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

In 2014 the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the SWDBP (Continued)

In 2020, members of the SWDB plan and their employers are contributing at a rate of 11 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 19 percent. Contributions to the SWDBP from the City were \$37,962 and \$43,184 the years ended December 31, 2021 and 2020, respectively.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23 percent and 23.5 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021 reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contributions, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers or affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earning for a total contribution rate of 9.5 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase by 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent and 4.25 percent in 2020 and 2021. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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

On December 31, 2021, the City reported a net pension asset of \$145,907 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021.

The City's proportion of the net pension asset was based on City contributions to the SWDBP for the calendar year 2020 relative to the total contributions of participating employers to the SWDBP.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

On December 31, 2020, the City's proportion was 0.06721 percent, which is a decrease of 0.01485 from its proportion measured as of December 31, 2019. For the year ended December 31, 2021, the City recognized pension expense of \$60,645. On December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$104,294	\$416
Changes of assumptions or other inputs	\$51,940	N/A
Net difference between projected and actual earnings on pension plan investments	N/A	\$136,859
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$60,090	\$5,996
Contributions subsequent to the measurement date	\$37,962	N/A
Total	\$260,286	\$143,271

\$37,962 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2022	\$7,351
2023	\$32,564
2024	\$7,067
2025	(\$20,327)
2026	\$23,801
Thereafter	\$28,597

CITY OF FLORENCE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The actuarial valuations for the SWDBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2020. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability

Actuarial Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

Actuarial Determined Contributions

Actuarial Valuation Date	January 1, 2020
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 years
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial

CITY OF FLORENCE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

assumptions. The actuarial assumption changes were effective January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income – Rates	10.00%	4.01%
Fixed Income – Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

CITY OF FLORENCE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

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

The expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release); and the resulting single discount rate is 7.00 percent.

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

	1% Decrease (6.00%)	Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	(\$146,832)	\$145,907	\$388,331

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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

Subsequent Event

During 2020, legislation was passed effective January 1, 2021 that amended the SWDBP. Amendments to the related contribution rates and benefits of this plan are described above. Additionally, the stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of 123.6 million transferred to the FPPA Members' Self-Directed Investment Fund after the January 1, 2021 actuarial valuation date. This transfer does not impact the net pension liability/(asset) of the plan as the transfer of assets will reduce both the total pension liability/(asset) and the plan fiduciary net position.

NOTE 8: **OTHER RETIREMENT COMMITMENTS**

Statewide Death and Disability Plan

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

Funding Policy - The contribution requirements are established by State statutes. The City Council determines the contribution split between employees and the City. No contributions are required for employees hired prior to January 1, 1997. For employees hired on or after January 1, 1997, the employees contributed 2.8% of base salaries during the year ended December 31, 2021. Contributions to the plan for the years ended December 31, 2021, 2020, and 2019 were \$17,945, \$12,745, and \$14,586, respectively, equal to the required contributions for the year.

Deferred 457 Compensation Plan

The City's employees participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The deferred compensation plan is optional for employees. The City matches the contribution of participating employees up to 3 percent after the employee has been employed by the City for one year. During the year ended December 31, 2021, 2020 and 2019, the City contributed \$35,468, \$37,484, and \$25,900, respectively, to the plan. The plan investments are managed by One America.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 9: **COMMITMENTS AND CONTINGENCIES**

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2021, significant amounts of grant expenditures have not been audited but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

Tabor Amendment

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

In November 1994, voters within the City approved the collection, retention, and expenditure of state grants, all sales and use taxes and all other revenue generated by the City in 1995 and subsequent years without limitation, notwithstanding the provisions of the Amendment.

The City has established a reserve, representing 3% of qualifying expenditures, as required by the amendment. On December 31, 2021, the emergency reserve of \$105,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

NOTE 11: **SUBSEQUENT EVENTS**

On March 22, 2022, members of City Council resigned from their positions. Currently, the only remaining government official is the City's mayor. The City will hold a special election on August 2, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Property Taxes	\$ 619,649	\$ 619,649	\$ 614,927	\$ (4,722)	\$ 603,155
Specific Ownership Taxes	94,000	94,000	100,452	6,452	93,218
Sales and Use Tax	983,000	983,000	1,356,586	373,586	1,158,829
Franchise Fees	198,500	198,500	193,285	(5,215)	175,510
Intergovernmental Revenue	331,000	331,000	275,796	(55,204)	362,731
Licenses and Permits	88,600	88,600	111,681	23,081	96,048
Charges for Services	361,380	361,380	395,081	33,701	254,986
Fines and Forfeitures	111,000	111,000	115,760	4,760	61,833
Sale of Assets	106,000	106,000	93,172	(12,828)	26,165
Earnings on Investments	42,800	42,800	8,029	(34,771)	10,358
Miscellaneous	234,726	234,726	157,521	(77,205)	206,829
TOTAL REVENUES	3,170,655	3,170,655	3,422,290	251,635	3,049,662
EXPENDITURES					
Current					
General Government	825,304	825,304	1,008,046	(182,742)	1,014,082
Public Safety	1,674,934	1,674,934	1,531,870	143,064	1,412,832
Public Works	902,384	902,384	998,067	(95,683)	722,012
Planning	144,050	144,050	181,800	(37,750)	164,572
Parks and Recreation	201,900	201,900	152,778	49,122	134,912
Debt Service					
Principal	-	-	-	-	15,162
Interest	-	-	-	-	242
TOTAL EXPENDITURES	3,748,572	3,748,572	3,872,561	(123,989)	3,463,814
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(577,917)	(577,917)	(450,271)	127,646	(414,152)
OTHER FINANCING SOURCES (USES)					
Transfers In	637,180	637,180	618,208	(18,972)	551,560
Transfers Out	-	-	(16,732)	(16,732)	(12,505)
TOTAL OTHER FINANCING SOURCES (USES)	637,180	637,180	601,476	(35,704)	539,055
CHANGE IN FUND BALANCE	59,263	59,263	151,205	110,914	124,903
FUND BALANCES, Beginning	-	-	2,133,026	2,133,026	2,008,123
FUND BALANCES, Ending	\$ 59,263	\$ 59,263	\$ 2,284,231	\$ 2,243,940	\$ 2,133,026

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

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

Years Ended December 31,

	2020	2019	2018	2017
Proportion of the Net Pension Liability (Asset)	0.06721%	0.08206%	0.09000%	0.0990%
Proportionate Share of the Net Pension Liability (Asset)	\$ (145,907)	\$ (46,408)	\$ 113,889	\$ (142,635)
Covered payroll	\$ 514,269	\$ 580,095	\$ 579,258	\$ 555,473
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-28.37%	-8.00%	19.66%	-25.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.70%	101.90%	95.20%	106.30%

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

See the accompanying independent auditor's report

2016	2015	2014	2013
9.5000%	0.0990%	0.0910%	0.0870%
\$ 34,380	\$ (1,742)	\$ (77,479)	\$ (102,775)
\$ 439,514	\$ 469,653	\$ 388,051	\$ 355,764
7.82%	-0.37%	-19.97%	-28.89%
98.20%	100.10%	105.80%	106.80%

CITY OF FLORENCE, COLORADO

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

Years Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contributions	\$ 37,962	\$ 43,184	\$ 48,382	\$ 48,274
Contributions in Relation to the Contractually Required Contributions	<u>37,962</u>	<u>43,184</u>	<u>48,382</u>	<u>48,274</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 447,343	\$ 514,269	\$ 580,095	\$ 579,258
Contributions as a Percentage of Covered Payroll	8.49%	8.40%	8.34%	8.33%

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

See the accompanying independent auditor's report

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 46,393	\$ 36,899	\$ 37,852	\$ 32,758
<u>46,393</u>	<u>36,899</u>	<u>37,852</u>	<u>32,758</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 555,473	\$ 439,514	\$ 469,653	\$ 388,051
8.35%	8.40%	8.06%	8.44%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF FLORENCE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST FUND	POOL, PARK AND RECREATION FUND	CAPITAL PROJECTS FUND	STREET IMPROVEMENT FUND
ASSETS				
Cash and Investments	\$ 105,893	\$ 539,445	\$ 369,474	\$ 587,212
Accounts Receivable	-	-	-	48,383
TOTAL ASSETS	<u>\$ 105,893</u>	<u>\$ 539,445</u>	<u>\$ 369,474</u>	<u>\$ 635,595</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY				
Fund Balance				
Restricted	105,893	539,445	-	635,595
Committed	-	-	369,474	-
Assigned	-	-	-	-
TOTAL FUND EQUITY	<u>105,893</u>	<u>539,445</u>	<u>369,474</u>	<u>635,595</u>
TOAL LIABILITIES AND FUND BALANCES	<u>\$ 105,893</u>	<u>\$ 539,445</u>	<u>\$ 369,474</u>	<u>\$ 635,595</u>

See the accompanying independent auditor's report

PERMANENT FUND	
PERPETUAL CARE RESERVE FUND	TOTALS
\$ 272,055	\$ 1,874,079
<u> -</u>	<u> 48,383</u>
<u>\$ 272,055</u>	<u>\$ 1,922,462</u>
<u>\$ -</u>	<u>\$ -</u>
<u> -</u>	<u> -</u>
272,055	1,552,988
-	369,474
<u> -</u>	<u> -</u>
<u>272,055</u>	<u>1,922,462</u>
<u>\$ 272,055</u>	<u>\$ 1,922,462</u>

CITY OF FLORENCE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST FUND	POOL, PARK AND RECREATION FUND	CAPITAL PROJECTS FUND	STREET IMPROVEMENT FUND
REVENUES				
Sales and Use Taxes	\$ -	\$ -	\$ -	\$ 337,813
Intergovernmental Revenue	47,513	-	-	-
Charges for Services	-	35,404	-	-
Interest Income	13	828	54	35
Miscellaneous	-	-	500	-
TOTAL REVENUES	47,526	36,232	554	337,848
EXPENDITURES				
Current				
Parks and Recreation	12	81,698	-	-
Capital Outlay	-	-	61,056	79,690
TOTAL EXPENDITURES	12	81,698	61,056	79,690
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	47,514	(45,466)	(60,502)	258,158
OTHER FINANCING SOURCES (USES)				
Transfers In	-	49	7,335	-
Transfers Out	(45,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(45,000)	49	7,335	-
NET CHANGE IN FUND BALANCES	2,514	(45,417)	(53,167)	258,158
FUND BALANCES, Beginning	103,379	584,862	422,641	377,437
FUND BALANCES, Ending	\$ 105,893	\$ 539,445	\$ 369,474	\$ 635,595

See the accompanying independent auditor's report

PERMANENT FUND		TOTALS
PERPETUAL CARE RESERVE FUND		
\$ -	\$ 337,813	
-	47,513	
-	35,404	
135	1,065	
-	500	
135	422,295	
-	81,710	
-	140,746	
-	222,456	
135	199,839	
9,348	16,732	
-	(45,000)	
9,348	(28,268)	
9,483	171,571	
262,572	1,750,891	
\$ 272,055	\$ 1,922,462	

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Intergovernmental Revenue	\$ 45,000	\$ 45,000	\$ 47,513	\$ 2,513	\$ 40,699
Interest Income	700	700	13	(687)	594
TOTAL REVENUES	45,700	45,700	47,526	1,826	41,293
EXPENDITURES					
Capital Outlay	-	-	12	(12)	-
TOTAL EXPENDITURES	-	-	12	(12)	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	45,700	45,700	47,514	1,814	41,293
OTHER FINANCING SOURCES					
Transfers Out	(45,000)	(45,000)	(45,000)	-	(45,000)
CHANGE IN FUND BALANCE	700	700	2,514	1,814	(3,707)
FUND BALANCES, Beginning	-	-	103,379	103,379	107,086
FUND BALANCES, Ending	\$ 700	\$ 700	\$ 105,893	\$ 105,193	\$ 103,379

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 POOL, PARK, AND RECREATION FUND
 Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Charges for Services	\$ 60,100	\$ 60,100	\$ 35,404	\$ (24,696)	\$ 23,073
Interest Income	9,500	9,500	828	(8,672)	11,518
TOTAL REVENUES	69,600	69,600	36,232	(33,368)	34,591
EXPENDITURES					
Parks and Recreation	103,100	103,100	81,698	21,402	78,217
TOTAL EXPENDITURES	103,100	103,100	81,698	21,402	78,217
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(33,500)	(33,500)	(45,466)	(11,966)	(43,626)
OTHER FINANCING SOURCES					
Transfers In	34,000	34,000	49	(33,951)	563
CHANGE IN FUND BALANCE	500	500	(45,417)	(45,917)	(43,063)
FUND BALANCES, Beginning	-	-	584,862	584,862	627,925
FUND BALANCES, Ending	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 539,445</u>	<u>\$ 538,945</u>	<u>\$ 584,862</u>

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Intergovernmental Revenue	\$ -	\$ -		\$ -	\$ 9,465
Interest Income	1,000	1,000	54	(946)	1,222
Miscellaneous	-	-	500	500	91,742
TOTAL REVENUES	1,000	1,000	554	(446)	102,429
EXPENDITURES					
Capital Outlay	700,000	700,000	61,056	638,944	265,936
TOTAL EXPENDITURES	700,000	700,000	61,056	638,944	265,936
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(699,000)	(699,000)	(60,502)	638,498	(163,507)
OTHER FINANCING SOURCES					
Transfers In	706,000	706,000	7,335	(698,665)	5,971
CHANGE IN FUND BALANCE	7,000	7,000	(53,167)	(60,167)	(157,536)
FUND BALANCES, Beginning	-	-	422,641	422,641	580,177
FUND BALANCES, Ending	\$ 7,000	\$ 7,000	\$ 369,474	\$ 362,474	\$ 422,641

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 STREET IMPROVEMENT FUND
 Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Sales and Use Tax	\$ 222,000	\$ 222,000	\$ 337,813	\$ 115,813	\$ 288,554
Interest Income	1,000	1,000	35	(965)	732
TOTAL REVENUES	223,000	223,000	337,848	114,848	289,286
EXPENDITURES					
Capital Outlay	155,500	155,500	79,690	75,810	16,863
TOTAL EXPENDITURES	155,500	155,500	79,690	75,810	16,863
CHANGE IN FUND BALANCE	67,500	67,500	258,158	190,658	272,423
FUND BALANCES, Beginning	164,403	164,403	377,437	213,034	105,014
FUND BALANCES, Ending	\$ 231,903	\$ 231,903	\$ 635,595	\$ 403,692	\$ 377,437

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PERPETUAL CARE RESERVE FUND
 Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Interest Income	\$ 2,000	\$ 2,000	\$ 135	\$ (1,865)	\$ 1,715
TOTAL REVENUES	2,000	2,000	135	(1,865)	1,715
EXPENDITURES					
Cemetery Care	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,000	2,000	135	(1,865)	1,715
OTHER FINANCING SOURCES (USES)					
Transfers In	6,000	6,000	9,348	3,348	5,971
CHANGE IN FUND BALANCE	8,000	8,000	9,483	1,483	7,686
FUND BALANCES, Beginning	-		262,572	262,572	254,886
FUND BALANCES, Ending	\$ 8,000	\$ 8,000	\$ 272,055	\$ 264,055	\$ 262,572

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 WATER FUND
 Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Charges for Services	\$ 2,638,000	\$ 2,638,000	\$ 2,738,980	\$ 100,980	\$ 2,838,816
Tap Fees and Contributions	40,000	40,000	139,872	99,872	102,440
Debt Retirement	1,612,000	1,612,000	1,286,741	(325,259)	1,325,785
Interest Revenue	25,000	25,000	7,104	(17,896)	77,643
Other Revenues	26,200	26,200	75,079	48,879	104,190
Transfers In	112,308	112,308	-	(112,308)	-
TOTAL REVENUES	4,453,508	4,453,508	4,247,776	(205,732)	4,448,874
EXPENDITURES					
Current					
Administration	86,250	86,250	170,110	(83,860)	71,136
Personnel Services	612,130	612,130	608,201	3,929	546,737
Water System	879,600	879,600	758,235	121,365	867,756
Water Distribution	116,200	116,200	87,933	28,267	37,392
Debt Service	1,578,665	1,578,665	1,892,654	(313,989)	1,552,854
Transfers Out	414,522	414,522	573,208	(158,686)	506,560
Capital Outlay	677,500	677,500	354,389	323,111	741,053
TOTAL EXPENDITURES	4,364,867	4,364,867	4,444,730	(79,863)	4,323,488
CHANGE IN NET POSITION, Budgetary Basis	\$ 88,641	\$ 88,641	(196,954)	\$ (285,595)	125,386
Adjustments to GAAP Basis					
Capital Outlay			278,863		632,878
Loan Principal Payments			1,497,454		922,223
Depreciation			(1,242,027)		(1,246,551)
CHANGE IN NET POSITION, GAAP Basis			337,336		433,936
NET POSITION, Beginning			15,740,700		15,306,764
NET POSITION, Ending			\$ 16,078,036		\$ 15,740,700

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND - SCHOOL DEDICATION FEES
Year Ended December 31, 2021

	<u>CUSTODIAL FUND</u>
ADDITIONS	
Interest Income	<u>\$ 8</u>
DEDUCTIONS	
Miscellaneous	<u> -</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	<u> 8</u>
NET POSITION, Beginning	<u> 18,512</u>
NET POSITION, Ending	<u><u> \$ 18,520</u></u>

See the accompanying independent auditor's report

COMPLIANCE



COLORADO
Department of Transportation

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6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY21

Email address: lori.cobler@florencecolorado.org

City/County: Florence

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	720,475.00
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	114,409.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	0.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00
SubTotal:	\$	834,884.00

B. Private Contributions \$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	114,409.00
Total: <i>(a + b) carried to 'Other local imposts' above</i>		\$ 114,409.00

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines and Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: <i>(a through h) carried to 'Misc local receipts' above</i>		\$ 0.00

C. Receipts from State Government

1. Highway User Taxes:	\$	125,824.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	17,085.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: <i>(1+3c,d,e)</i>		\$ 142,909.00

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00

b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	0.00
2. Maintenance:	\$	371,611.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	67,565.00
c. Other:	\$	28,729.00
4. General administration and miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	509,888.00
Total: (A.1-5)	\$	977,793.00

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	0.00

C. Payments to State for Highways: \$ 0.00

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: (A+B+C+D) \$ 977,793.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A. 1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ <u>0.00</u>
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ <u>0.00</u>

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 977,793.00	\$ 977,793.00	\$ 0.00	\$ 0.00

Notes and Comments:
undefined

Please enter your name: Lori Cobler

Please provide a telephone number where you may be reached: 719-784-4848

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