

CITY OF SHERIDAN
BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Sheridan, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sheridan, Colorado (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sheridan, Colorado, 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.

We did not audit the financial statements of the City of Sheridan Housing Authority, which represents 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of December 31, 2021, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the City of Sheridan Housing Authority, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 the 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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the GASB required pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the SEC Rule 15c2-12 continuing disclosures but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Adams Group, LLC

Denver, Colorado
June 23, 2022

CITY OF SHERIDAN MANAGEMENTS' DISCUSSION & ANALYSIS

This discussion and analysis of the City of Sheridan's (City) financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the City's financial statements. This report also contains other supplementary information in addition to the basic statements themselves.

Financial Highlights

- The ending net position of the City at the close of 2021 was (\$79,750,232) an increase of 5.75% from 2020. This deficit is related to the issuance of Tax Increment Bonds by the Sheridan Redevelopment Agency (SRA) that were used to support the River Point redevelopment project, which will be repaid through future sales tax and PIF revenues.
- At December 31, 2021, the City's governmental funds reported a combined ending fund balance of \$25,258,454 including the SRA and a fund balance of \$13,380,265 without the SRA. Of the non-SRA balance, \$8,320,488 is available for spending at the City's discretion (unassigned fund balance).
- The unassigned fund balance for the General Fund of \$8,320,488 is 71.88% of the total General Fund expenditures, up 10.96% from the prior year's balance of \$7,498,491.
- Sales Tax Revenue for the General Fund, the City's largest source of general revenue was \$4,804,707 for 2021 as compared to \$4,471,942 for the prior year, an increase of 7.44%. The increase is due to businesses being closed in 2020 because of the pandemic and to increased sales in existing retail outlets.

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

The **statement of net position** presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Governmental

activities of the City include general government, public safety (police & fire), streets, code enforcement, planning and economic development, and parks.

Fund Financial Statements

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

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary funds – The *enterprise fund* type of proprietary funds is used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as a statement of cash flows. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10-38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's defined benefit plans.

The combining statements, referred to earlier in connection with non-major Governmental Funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 57 – 63 of this report.

The Sheridan Redevelopment Agency is a component unit and the Sheridan Housing Authority is a discretely presented component unit each with their own audits. For additional information readers should refer to those separately issued financial statements.

Financial Analysis of the City as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, ending net position was (\$79,750,232) on a combined basis at the close of 2021. The SRA accounting for (\$117,412,665) and the City \$37,662,433.

City of Sheridan, Colorado
Condensed Statement of Net Position
December 31,

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 33,024,275	\$ 29,894,423	\$ 48,430	\$ (43,884)	\$ 33,072,705	\$ 29,850,539
Noncurrent assets						
Capital assets, not depreciated	773,812	773,812	-	-	773,812	773,812
Capital assets, net of depreciation	46,765,527	48,653,175	6,887,076	7,150,636	53,652,603	55,803,811
Net pension asset	792,832	268,754	-	-	792,832	268,754
Internal balances	110,058		(110,058)		-	-
Total Assets	81,466,504	79,590,164	6,825,448	7,106,752	88,291,952	86,696,916
Deferred Outflow s of Resources						
Pension related deferred outflow	1,284,438	1,403,741	-	-	1,284,438	1,403,741
Deferred charge on refunding	4,119,975	4,645,482	-	-	4,119,975	4,645,482
Deferred derivative instruments	7,352,843	10,828,290	-	-	7,352,843	10,828,290
Total Deferred Outflow s of Resources	12,757,256	16,877,513	-	-	12,757,256	16,877,513
Liabilities						
Current liabilities	2,040,829	1,128,261	221	11,090	2,041,050	1,139,351
Noncurrent liabilities	171,901,480	180,892,384	-	-	171,901,480	180,892,384
Total liabilities	173,942,309	182,020,645	221	11,090	173,942,530	182,031,735
Deferred Inflow s of Resources						
Pension related deferred inflow	746,334	319,278	-	-	746,334	319,278
Unavailable revenue-property taxes	6,110,576	5,838,327	-	-	6,110,576	5,838,327
Total Deferred Inflow s of Resources	6,856,910	6,157,605	-	-	6,856,910	6,157,605
Net Position						
Net investment in capital assets	17,001,007	17,907,268	6,887,076	7,150,636	23,888,083	25,057,904
Restricted						
Net pension asset	792,832	-	-	-	792,832	-
Reserve/Emergencies	416,000	434,648	-	-	416,000	434,648
Debt service	12,283,798	11,765,426	-	-	12,283,798	11,765,426
Capital projects	1,736,814	1,294,366	-	-	1,736,814	1,294,366
Storm w ater	-	-	28,826	28,812	28,826	28,812
Parks and open space	1,080,755	908,196	-	-	1,080,755	908,196
Unrestricted	(119,886,665)	(124,020,477)	(90,675)	(83,786)	(119,977,340)	(124,104,263)
Total Net Position	\$ (86,575,459)	\$ (91,710,573)	\$ 6,825,227	\$ 7,095,662	\$ (79,750,232)	\$ (84,614,911)

The City's net investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, etc.) is 67.28% of the City's net position. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

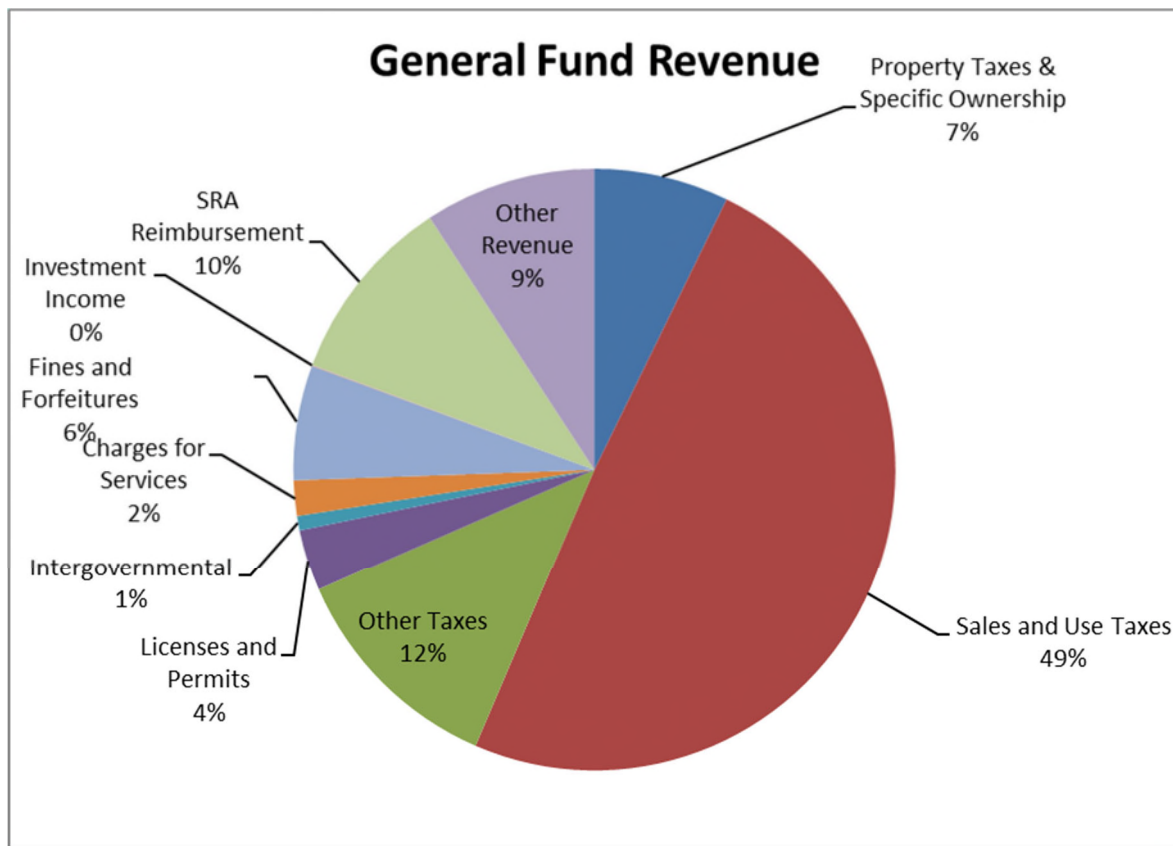
Governmental Activities

Governmental activities increased the City's net position by \$5,135,114.

City of Sheridan, Colorado
Condensed Statement of Activities
December 31,

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 1,410,227	\$ 1,888,381	\$ 109,144	\$ 99,667	\$ 1,519,371	\$ 1,988,048
Operating Grants and Contributions	63,857	811,054	-	-	63,857	811,054
Capital Grants and Contributions	722,142	1,413,734	-	-	722,142	1,413,734
Total Program Revenues	2,196,226	4,113,169	109,144	99,667	2,305,370	4,212,836
General Revenues						
Taxes	20,587,173	19,178,973	-	-	20,587,173	19,178,973
Investment Earnings	15,862	115,375	169	174	16,031	115,549
Other Revenues	4,286,549	3,928,505	-	-	4,286,549	3,928,505
Transfers	34,373	34,373	(34,373)	(34,373)	-	-
Total General Revenues	24,923,957	23,257,226	(34,204)	(34,199)	24,889,753	23,223,027
Total Revenues	27,120,183	27,370,395	74,940	65,468	27,195,123	27,435,863
Program Expenses						
General Government	2,572,613	2,819,174	-	-	2,572,613	2,819,174
Public Safety	7,632,815	7,245,048	-	-	7,632,815	7,245,048
Public Works	2,652,512	2,723,705	-	-	2,652,512	2,723,705
Community Development	454,059	441,023	-	-	454,059	441,023
Parks and Open Space	568,961	1,292,780	-	-	568,961	1,292,780
Redevelopment Projects	435	124,877	-	-	435	124,877
Stormwater Operations	-	-	345,375	349,912	345,375	349,912
Interest on Long-Term Debt	8,103,674	8,266,154	-	-	8,103,674	8,266,154
Total Program Expenses	21,985,069	22,912,760	345,375	349,912	22,330,444	23,262,672
Change in Net Position	5,135,114	4,457,635	(270,435)	(284,444)	4,864,679	4,173,191
Net Position, Beginning	(91,710,573)	(96,168,208)	7,095,662	7,380,106	(84,614,911)	(88,788,102)
Net Position, Ending	\$ (86,575,459)	\$ (91,710,573)	\$ 6,825,227	\$ 7,095,662	\$ (79,750,232)	\$ (84,614,911)

The following pie chart illustrates the General Fund revenues:



Property taxes decreased in 2021 by 11.32%. This was due to a decrease in assessed valuation. Sales & Use Taxes increased by 6.63% due to businesses being closed in 2020 because of the pandemic and to increased sales in existing retail outlets.

Business-type activities

The Storm Water Enterprise Fund had \$109,144 in revenue. Storm water also had \$345,375 in expenses. The ending fund balance for 2021 was \$6,825,227.

Financial Analysis of the City's Funds

The City of Sheridan uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Government Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and the balance of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of 2021, the City's General Fund reported an ending fund balance of \$8,968,170, an increase of \$783,866 in comparison with the previous year. This increase was primarily due to the increase in sales and

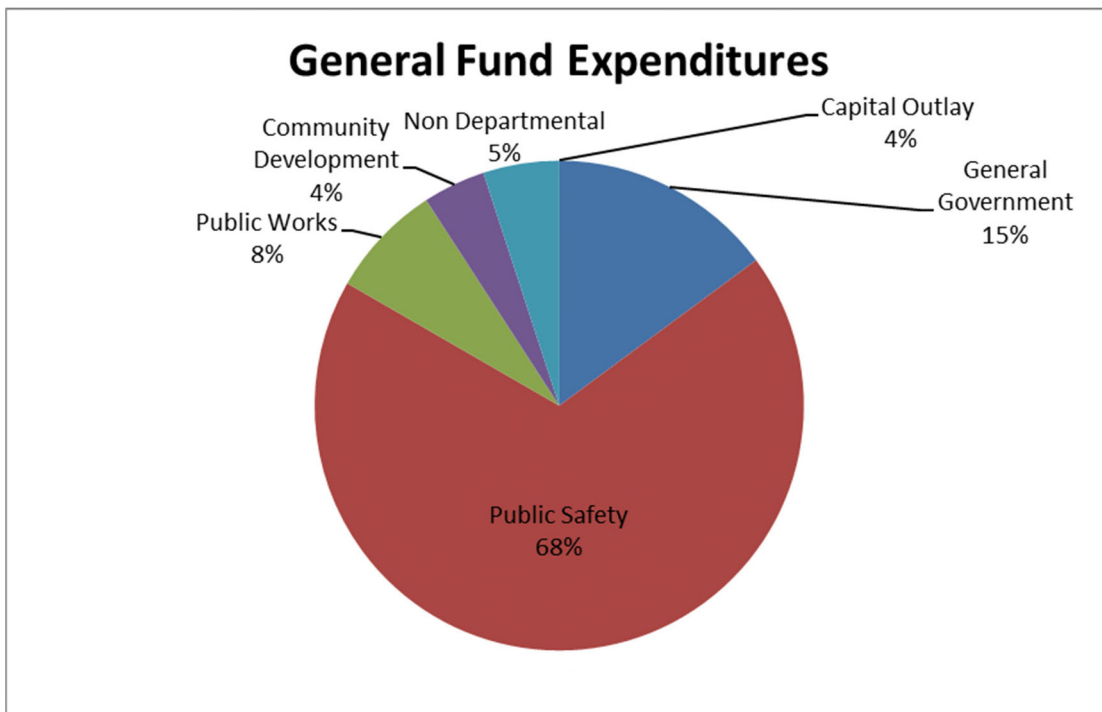
use taxes and public safety expenditures coming in under budget. Ninety-two percent of the total fund balance of \$8,320,488 represents the unassigned fund balance, which is available for spending at the City’s discretion. The remainder of fund balance is restricted for emergencies (\$416,000) and prepaid items (\$231,682).

Proprietary Funds

The City’s proprietary funds provide the same type of information found in the business-type activities sections of the government-wide financial statements, but in more detail. Restricted net position of the Storm Water Enterprise is \$6,825,227.

General Fund Budgetary Highlights

The General Fund accounts for all of the general government services provided by the City of Sheridan including, City Council, Municipal Court, Community Development, City Clerk, Administration, Public Safety, Public Works and Non Departmental expenditures. The following pie chart illustrates the General Fund Expenditure by type:



Line item budget transfers are allowed within a fund with the approval of the City Manager. Increases in the expenditure budget for any fund must be approved by City Council. The General Fund original and final budgeted expenditures were \$11,588,423. Total General Fund expenditures were \$10,967,981, which is within the budgeted amount.

Capital Assets and Debt Administration

Capital Assets

The City of Sheridan's investments in capital assets for its governmental activities as of December 31, 2021 totaled \$47,539,339 (net of accumulated depreciation). This investment in capital assets includes land and easements, building and improvements, infrastructure, machinery and equipment, computers and software, and vehicles. The City's investment in governmental capital assets decreased by 3.8% and this decrease was due to depreciation.

Long-term Debt

In November 2015 the voters approved the City to issue \$31 million in bonds for street and infrastructure improvements. In 2021 \$770,000 in principal was paid for a remaining balance of \$27,050,000. In 2014, the City entered into a new Capital Lease for the purchase of several pieces of public works equipment totaling \$206,655. Payments made on the Capital Lease totaled \$42,999. The total remaining principal obligation is \$44,391. Of this debt, \$44,391 is due within one year.

Compensated absences increased by \$24,549 for a total of \$352,390. Compensated absences are expected to be liquidated with revenues of the General Fund.

Note 5 of the financial statements provide a more in-depth summary of the City's long-term debt.

Economic Factors and Next Year's Budget and Rates

With projected revenues increasing slightly, the City continues to use a cautious approach both in estimating anticipated revenue and incurring actual expenditures.

The Sheridan Redevelopment Agency River Point project is progressing. New businesses opened in River Point in 2021 and are expected to continue to open until the space in River Point is completely occupied.

City General Fund expenditures for 2022 are estimated at \$13,946,493 and the Sheridan Redevelopment Agency's are estimated at \$1,451,314.

Request for Information

This report is designed to provide a general overview of the City's finances for all those interested in the government's finances. Questions concerning any of the information provided in this report or additional financial information should be addressed to the Finance Director at the City of Sheridan, 4101 S. Federal Blvd., Sheridan, CO 80110 or by calling 303-762-2200.

BASIC FINANCIAL STATEMENTS

CITY OF SHERIDAN, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority
<u>Assets</u>				
<u>Current Assets</u>				
Cash and investments	\$ 12,951,144	\$ 28,826	\$ 12,979,970	\$ 161,955
Restricted cash and investments	12,105,316	-	12,105,316	-
Accounts receivable	30,361	19,604	49,965	46,338
Taxes receivable	7,705,772	-	7,705,772	-
Prepaid items	231,682	-	231,682	-
Capital assets, not depreciated	773,812	-	773,812	-
Capital assets, net of depreciation	46,765,527	6,887,076	53,652,603	-
Net pension asset	792,832	-	792,832	-
Internal balances	110,058	(110,058)	-	-
Total Assets	81,466,504	6,825,448	88,291,952	208,293
<u>Deferred Outflows of Resources</u>				
Related to pension	1,284,438	-	1,284,438	-
Deferred charge on refunding	4,119,975	-	4,119,975	-
Deferred derivative instruments	7,352,843	-	7,352,843	-
Total Deferred Outflows of Resources	12,757,256	-	12,757,256	-
<u>Liabilities</u>				
Accounts payable	540,508	221	540,729	20,664
Unearned revenues	915,049	-	915,049	-
Accrued remarketing fees	5,274	-	5,274	-
Accrued facility fees	121,760	-	121,760	-
Accrued interest payable	275,526	-	275,526	-
Other liabilities	182,712	-	182,712	12,381
<u>Noncurrent Liabilities</u>				
Due within one year	9,565,660	-	9,565,660	-
Due in more than one year	154,565,326	-	154,565,326	-
Net Pension liability	417,651	-	417,651	-
Liability for derivative instruments	7,352,843	-	7,352,843	-
Total Liabilities	173,942,309	221	173,942,530	33,045
<u>Deferred Inflows of Resources</u>				
Related to pension	746,334	-	746,334	-
Unavailable revenue - property taxes	6,110,576	-	6,110,576	-
Total Deferred Inflows of Resources	6,856,910	-	6,856,910	-
<u>Net Position</u>				
Net investment in capital assets	17,001,007	6,887,076	23,888,083	-
<u>Restricted</u>				
Net pension asset	792,832	-	792,832	-
Emergencies	416,000	-	416,000	-
Debt service	12,283,798	-	12,283,798	-
Capital projects	1,736,814	-	1,736,814	-
Open space	1,080,755	-	1,080,755	-
Stormwater	-	28,826	28,826	-
Unrestricted (deficit)	(119,886,665)	(90,675)	(119,977,340)	175,248
Total Net Position	\$ (86,575,459)	\$ 6,825,227	\$ (79,750,232)	\$ 175,248

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

CITY OF SHERIDAN, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Function/Programs	Program Revenues				Primary Government		Component Unit
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities							
General government	\$ 2,572,613	\$ 371,714	\$ 5,775	\$ (2,195,124)	\$ -	\$ (2,195,124)	\$ -
Public safety	7,632,815	850,243	-	(6,724,490)	-	(6,724,490)	-
Public works	2,652,512	-	98,234	(2,554,278)	-	(2,554,278)	-
Community development	454,059	188,270	-	(265,789)	-	(265,789)	-
Parks and open space	568,961	-	623,908	54,947	-	54,947	-
Redevelopment projects	435	-	-	(435)	-	(435)	-
Interest and fiscal charges	8,103,674	-	-	(8,103,674)	-	(8,103,674)	-
Total Governmental Activities	21,985,069	1,410,227	722,142	(19,788,843)	-	(19,788,843)	-
Business-Type Activities							
Stormwater Operations	345,375	109,144	-	-	(236,231)	(236,231)	-
Total Primary Government	\$ 22,330,444	\$ 1,519,371	\$ 722,142	(19,788,843)	(236,231)	(20,025,074)	-
Component Unit							
Housing Authority	\$ 2,326,228	\$ -	\$ 2,272,498	-	-	-	(53,730)
General Revenues							
Property taxes				5,819,480	-	5,819,480	-
Specific ownership taxes				237,225	-	237,225	-
Sales and use taxes				13,281,793	-	13,281,793	-
Franchise taxes				386,354	-	386,354	-
Occupational privilege tax				357,423	-	357,423	-
Other taxes				504,898	-	504,898	-
Investment earnings				15,862	169	16,031	80
Other revenue				4,286,549	-	4,286,549	-
Transfers				34,373	(34,373)	-	-
Total General Revenues				24,923,957	(34,204)	24,889,753	80
Change in Net Position				5,135,114	(270,435)	4,864,679	(53,650)
Net Position, Beginning				(91,710,573)	7,095,662	(84,614,911)	228,898
Net Position, Ending				\$ (86,575,459)	\$ 6,825,227	\$ (79,750,232)	\$ 175,248

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

CITY OF SHERIDAN, COLORADO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Sheridan Redevelopment Agency Fund	Debt Service Fund	Other Governmental Fund	Totals
Assets					
Cash and investments	\$ 9,557,891	\$ 777,410	\$ 1,594,526	\$ 1,021,317	\$ 12,951,144
Restricted cash and investments	-	10,147,427	-	1,957,889	12,105,316
Accounts receivable	30,361	-	-	-	30,361
Taxes receivable	1,425,888	4,340,020	1,939,864	-	7,705,772
Prepaid items	231,682	-	-	-	231,682
Due from other funds	214,457	-	-	-	214,457
Total Assets	\$ 11,460,279	\$ 15,264,857	\$ 3,534,390	\$ 2,979,206	\$ 33,238,732
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 531,572	\$ 8,936	\$ -	\$ -	\$ 540,508
Other liabilities	182,712	-	-	-	182,712
Accrued facility fees	-	121,760	-	-	121,760
Accrued remarketing fees	-	5,274	-	-	5,274
Unearned revenue	832,439	14,210	-	68,400	915,049
Due to other funds	-	11,162	-	93,237	104,399
Total Liabilities	1,546,723	161,342	-	161,637	1,869,702
Deferred Inflows of Resources					
Unavailable revenue - property taxes	945,386	3,225,326	1,939,864	-	6,110,576
Fund Balances					
Nonspendable					
Prepaid items	231,682	-	-	-	231,682
Restricted					
Debt service	-	10,964,798	1,594,526	-	12,559,324
Capital projects	-	-	-	1,736,814	1,736,814
Emergencies	416,000	-	-	-	416,000
Parks and open space	-	-	-	1,080,755	1,080,755
Assigned for:					
Redevelopment Authority	-	913,391	-	-	913,391
Unassigned	8,320,488	-	-	-	8,320,488
Total Fund Balances	8,968,170	11,878,189	1,594,526	2,817,569	25,258,454
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,460,279	\$ 15,264,857	\$ 3,534,390	\$ 2,979,206	\$ 33,238,732

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

CITY OF SHERIDAN, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

		Amounts
Amounts reported for governmental activities in the statement of net position are different because:		
Fund balance - governmental funds	\$	25,258,454
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	60,992,228	
Accumulated depreciation	(13,452,889)	47,539,339
Other noncurrent assets and deferred inflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds		
Net pension asset	792,832	
Deferred outflows of resources - related to pensions	1,284,438	2,077,270
Governmental funds report the effect of deferred charges on debt when it is first issued, whereas these amounts are amortized over the life of the bonds.		4,119,975
Other deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds		
Deferred inflows of resources - related to pensions		(746,334)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable - City	(27,050,000)	
Unamortized premium	(3,443,941)	
Bonds payable - SRA	(109,674,856)	
Accreted interest - SRA	(23,565,408)	
Accrued interest	(275,526)	
Net pension liability	(417,651)	
Capital leases payable	(44,391)	
Accrued compensated absences	(352,390)	(164,824,163)
Net Position of Governmental Activities		\$ (86,575,459)

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

CITY OF SHERIDAN, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General Fund	Sheridan Redevelopment Agency Fund	Debt Service Fund	Other Governmental Funds	Totals
<u>Revenues</u>					
Taxes	\$ 8,453,990	\$ 10,038,692	\$ 2,094,491	\$ -	\$ 20,587,173
Licenses and permits	412,652	-	-	-	412,652
Intergovernmental	95,996	-	-	690,003	785,999
Charges for services	235,252	-	-	-	235,252
Fines and forfeitures	762,323	-	-	-	762,323
Investment earnings	5,394	4,184	5,134	1,150	15,862
Other income	1,137,978	3,047,538	-	-	4,185,516
	<u>11,103,585</u>	<u>13,090,414</u>	<u>2,099,625</u>	<u>691,153</u>	<u>26,984,777</u>
<u>Expenditures</u>					
General government	1,632,790	282,901	20,123	-	1,935,814
Public Safety	7,505,537	-	-	68,424	7,573,961
Public Works	825,544	-	-	-	825,544
Community development	453,100	-	-	-	453,100
Non-departmental	551,010	-	-	-	551,010
Parks, recreation and open space	-	-	-	5,691	5,691
Redevelopment projects	-	435	-	-	435
Capital outlay	-	-	-	742,764	742,764
Debt service					
Principal	-	7,250,000	770,000	42,999	8,062,999
Interest	-	3,689,171	1,286,525	2,832	4,978,528
	<u>10,967,981</u>	<u>11,222,507</u>	<u>2,076,648</u>	<u>862,710</u>	<u>25,129,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>135,604</u>	<u>1,867,907</u>	<u>22,977</u>	<u>(171,557)</u>	<u>1,854,931</u>
<u>Other financing sources (uses)</u>					
Transfer in	1,252,273	-	-	641,819	1,894,092
Transfers out	(607,446)	(1,252,273)	-	-	(1,859,719)
Insurance proceeds	-	-	-	123,445	123,445
Sale of assets	3,255	-	-	21,300	24,555
	<u>648,082</u>	<u>(1,252,273)</u>	<u>-</u>	<u>786,564</u>	<u>182,373</u>
Change in Fund Balance	783,686	615,634	22,977	615,007	2,037,304
Fund Balance, Beginning	<u>8,184,484</u>	<u>11,262,555</u>	<u>1,571,549</u>	<u>2,202,562</u>	<u>23,221,150</u>
Fund Balance, Ending	<u>\$ 8,968,170</u>	<u>\$ 11,878,189</u>	<u>1,594,526</u>	<u>\$ 2,817,569</u>	<u>\$ 25,258,454</u>

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

CITY OF SHERIDAN, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	<u>Amounts</u>
Amounts reported for governmental activities in the statements of activities are different because:	
Net change in fund balances - governmental funds	\$ 2,037,304
Capital outlays to purchase or build capital assets are reported in governmental funds, however, for governmental activities these costs are capitalized in the statement of net assets and are allocated over their estimated useful lives as annual depreciation.	
Capital outlay	223,388
Depreciation expense	(2,064,069)
Loss on disposal of assets	(46,967)
	(1,887,648)
Issuances of debt are treated as revenues in the governmental funds, but are recorded as liabilities on the statement of net assets. Repayments of this debt are recorded as expenses in the governmental funds and reduce liabilities on the statement of net assets.	
Amortization of loss on refunding	(525,507)
Bond principal payments	8,020,000
Bond premium amortization	168,388
Change in accrued interest	17,789
Change in accreted interest	(2,785,816)
Capital lease principal payments	42,999
	4,937,853
Some expenses reported in the statement of activities do not require or provide current financial resources and therefore are not reported as expenditures in the governmental funds	
Pension income	72,154
Accrued compensated absences are expensed when paid in the governmental funds; however, outstanding balances are shown as liabilities on the statement of net assets and expensed when earned for the statement of activities.	
Change in accrued compensated absences	(24,549)
Change in Net Position of Governmental Activities	\$ 5,135,114

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

CITY OF SHERIDAN, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2021

	Storm Water Enterprise
<u>Assets</u>	
Current Assets	
Cash and investments	\$ 28,826
Accounts receivable	19,604
Total Current Assets	48,430
Noncurrent Assets	
Capital assets being depreciated, net	6,887,076
Total Noncurrent Assets	6,887,076
Total Assets	6,935,506
<u>Liabilities</u>	
Accounts payable	221
Due to other funds	110,058
Total Liabilities	110,279
<u>Net Position</u>	
Net investment in capital assets	6,887,076
Restricted for:	
Stormwater	28,826
Unrestricted	(90,675)
Total Net Position	\$ 6,825,227

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

CITY OF SHERIDAN, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2021

	<u>Storm Water Enterprise</u>
<u>Operating Revenues</u>	
User charges and fees	\$ 109,144
Total Operating Revenues	<u>109,144</u>
 <u>Operating Expenses</u>	
Stormwater operations	<u>345,375</u>
Total Operating Expenses	<u>345,375</u>
Operating (loss)	<u>(236,231)</u>
 Nonoperating income (expense)	
Investment income	169
Transfers out	<u>(34,373)</u>
Total nonoperating income (expense)	<u>(34,204)</u>
Changes in Net Position	(270,435)
Net Position, Beginning	<u>7,095,662</u>
Net Position, Ending	<u>\$ 6,825,227</u>

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

CITY OF SHERIDAN, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Storm Water Enterprise</u>
Cash Flows from Operating Activities	
Cash received from tenants and others	\$ 105,827
Cash payments to employees	(46,634)
Cash payments to vendors	(43,222)
Net Cash Provided by Operating Activities	<u>15,971</u>
Cash Flows from Non-Capital Financing Activities	
Cash receipts from other funds	<u>18,247</u>
Net Cash Provided by Non-Capital Financing Activities	<u>18,247</u>
Cash Flows from Capital Financing Activities	
Cash transferred to other funds	<u>(34,373)</u>
Net Cash Used by Capital Financing Activities	<u>(34,373)</u>
Cash Flows from Investing Activities	
Interest received	<u>169</u>
Net Cash Provided by Investing Activities	<u>169</u>
Net Increase in Cash and Cash Equivalents	14
Cash and Cash Equivalents, Beginning	<u>28,812</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 28,826</u></u>
Reconciliation of net operating (loss) to net cash provided by operating activities	
Net operating (loss)	\$ (236,231)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities	
Depreciation expense	263,560
Changes in assets and liabilities	
Account receivable	(3,317)
Prepaid Expenses	2,828
Account payable	(10,869)
Net Cash Provided by Operating Activities	<u><u>\$ 15,971</u></u>

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

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Sheridan, Colorado (the “City”) was incorporated in April 1890, as a statutory municipality as defined by Colorado Revised Statutes. The City is governed by a seven-member council, two of whom are elected from each of the City’s three wards, and a mayor elected from the City at large. The City enacted a Home Rule Charter in 2002.

The accounting policies of the City conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the City officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent upon it. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit

Based on the application of these criteria, the City includes the Sheridan Redevelopment Agency (“SRA”) in its reporting entity. The SRA is a component unit, established to redevelop identified areas of blight within the City. The Agency is blended into the City’s financial statement as a special revenue fund because the City Council serves as the Board of the Agency and is managed by City staff. The SRA and the City share employees and the City provides certain services to the SRA. For the year ended December 31, 2021, SRA reimbursed the City \$1,252,273 for expenditures. Separately issued financial statements can be obtained at the Agency offices, 4101 South Federal Boulevard, Sheridan, Colorado 80110.

Discretely Presented Component Unit

Based upon the application of these criteria, the City includes the Housing Authority of the City of Sheridan (“Housing Authority”) in its reporting entity as a discretely presented component unit.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit (Continued)

The Housing Authority was established to provide housing assistance to low-income persons residing in the City of Sheridan. The City Council serves as the Board of the Housing Authority.

Separately issued financial statements, including the reports related to the Housing Authority's Federal Single Audit can be obtained at the Housing Authority offices, 3460 South Sherman Street, Suite 101, Englewood, Colorado 80110.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its component units. 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 net position presents the financial position of the governmental and business-type activities of the City at year-end and also presents the financial position of the discretely presented component unit.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

CITY OF SHERIDAN, COLORADO
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)

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 year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. For this purpose, the City considers grant revenues to be susceptible to accrual if collected within 90 days after the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the City.

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

Major Funds - In the fund financial statements, the City reports the following major governmental funds.

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

The *Sheridan Redevelopment Agency* is a blended component unit whose purpose is to develop blighted areas within the City.

The *Debt Service Fund* is used to service the Series 2016 and 2017 Bonds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a 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 non-operating revenues and expenses.

The *Storm Water Fund* accounts for the revenues and expenses related to the provision of stormwater services.

CITY OF SHERIDAN, COLORADO
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)

Interfund transactions are treated and classified as revenues, expenditures, or expenses. These include interfund transfers from one fund to another for the purchase of goods or services. In the government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and business-type activities.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances

Cash and Investments – The City’s cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported in accordance with GASB Statement 72, as amended.

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2021, management believes all receivables are collectible.

Interfund Receivables and Payables – During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *due from other funds* and *due to other funds* because they are short-term in nature. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Property Taxes – By December 15 of each year, property taxes for the City are levied by the Board and certified to Arapahoe County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by Arapahoe County on behalf of the City.

Property taxes levied in the General Fund and Debt Service Fund are included in receivables and deferred inflows at December 31, 2021. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2022 and are budgeted for in 2021.

Prepaid items – Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances (Continued)

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

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

Buildings	30-50 years
Vehicles and equipment	3-7 years
Infrastructure	20 years

Unearned Revenues – Unearned revenues consist of advances received on grants that are recognized as revenue when the terms of the grant are fulfilled.

Compensated Absences – All employees of the City are allowed to accumulate unused vacation time up to 320 hours and unused sick time up to 480 hours. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time, at their current pay rate, but will forfeit any compensation for all accrued sick time. Accumulated unpaid vacation pay is accrued when earned in the government-wide and proprietary fund type financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits.

Long-Term Debt – In the government-wide financial statements, and for the 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 fund statement of net position. Debt premiums, discounts and losses on debt refunding are deferred and amortized over the life of the debt 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.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances (Continued)

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred charges on refunding of bonds, deferred outflows of derivative instruments from the SRA and certain amounts related to the City's defined benefit plans which will be amortized and recognized as revenue/expense in future periods as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period certain amounts related to the City's defined benefit plans which will be amortized and recognized as revenue/expense in future periods.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of City Council. The Council is the highest level of decision-making body for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council. The City has no committed fund balance.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the City Council may assign fund balances for specific purposes.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances (Continued)

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance.
- Revisions of budgeted amounts that alter the total expenditures of any fund must be approved by the City Council. Budgetary control is at the fund level as prescribed by State statute.
- All appropriations lapse at the end of each fiscal year.
- Budgets are legally adopted for all funds of the City. Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons are also presented for the enterprise funds on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.
- Colorado Revised Statutes do not require budgets for Housing Authorities.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2021, follows:

Petty cash	\$ 1,700
Cash with County Treasurer	21,747
Deposits	500,057
Investments	<u>13,636,945</u>
Total City Cash and Investments	<u>14,160,449</u>
Blended Component Unit:	
Sheridan Redevelopment Agency	
Cash	16,828
Investments	<u>10,908,009</u>
Total Blended Component Unit	<u>10,924,837</u>
Total Cash and Investments	<u>\$ 25,085,286</u>

The above amounts are classified in the financial statements as follows:

Cash and investments	\$ 12,979,970
Restricted cash and investments	<u>12,105,316</u>
Total Cash and Investments	<u>\$ 25,085,286</u>

Deposits

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

At December 31, 2021, the carrying amount of the City’s deposits was \$507,757 and the bank balance was \$779,467 of which \$250,000 was covered by FDIC insurance the remaining covered by the PDPA. At December 31, 2021, the carrying amount and bank balance for the Sheridan Redevelopment Agency was \$16,828. The entire SRA bank balance was covered by FDIC Insurance.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of December 31, 2021, the City and SRA held the following investments:

Primary Government:	
ColoTrust	\$ 13,237,824
CSIP	<u>399,121</u>
Total City Investments	<u>\$ 13,636,945</u>
Blended Component Unit:	
Sheridan Redevelopment Agency	
ColoTrust	\$ 760,582
Fidelity Government Portfolio CLII	<u>10,147,427</u>
Total Blended Component Unit Investments	<u>\$ 10,908,009</u>

Credit Risk

The City has not adopted a formal investment policy; however, the City follows state statutes regarding investments.

Colorado statutes specify instruments in which units of local governments may invest, which include:

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- Certain international agency securities
- General obligation and revenue bonds of the 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

Fair Value Hierarchy – The City and SRA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has no investments required to be reported under the fair value hierarchy.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2021, the City and the SRA had invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds (pools). The State Securities commissioner administers and enforces all State statutes governing the pools. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by the U.S. Treasury securities. COLOTRUST places no restrictions or limitations on withdrawals. As of December 31, 2021, the City and SRA had \$13,237,824 and \$760,582, respectively, invested in COLOTRUST PLUS +. COLOTRUST is rated AAAM by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The City also invests in the PFM Funds Prime Series, Colorado Investors Class, a money market mutual fund (marketed as the Colorado Statewide Investment Program or "CSIP"). The Prime Series is a separate investment portfolio of PFM Funds (the "trust"). The trust is an open-end, diversified, management investment company registered under the Investment Company Act of 1940, as amended. The Fund is managed to maintain a dollar-weighted average portfolio of 60 days or less and seeks to maintain a constant net asset value ("NAV") per share of \$1.00. The PFM Funds Prime Series invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. and international companies and obligations of financial institutions, bankers' acceptance, floating/variable rate obligations and repurchase agreements and is rated AAAM by Standard & Poor's. PFM Asset Management LLC serves as the investment advisor, administrator, and transfer agent. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA). PFM places no restrictions or limitations on withdrawals. At December 31, 2021, the City had \$399,121 invested in CSIP which is valued at amortized cost. Under GASB Statement No. 72, no additional disclosures are required.

At December 31, 2021, the SRA investments in Fidelity Government Portfolio CL II (the fund), a money market fund in the amount of \$10,147,427. The goals of the fund are a stable \$1 share price, maintenance of liquidity, and income. The SRA records these investments at amortized cost. The Fund invests in repurchase agreements secured by U.S. government securities and agency floating-rate securities. At April 7, 2022, the latest information available, the Fund had 40% of its portfolio in daily liquid assets and 60% of its portfolio in weekly liquid assets. This Fund is rated AAAM by Standard & Poor's and is valued at amortized cost. Under GASB Statement No. 72, no additional disclosures are required.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 -DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk - Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities to three years or less.

Restricted Cash

At December 31, 2021, the City had the following restricted cash balances:

Primary Government:

Capital improvements	\$ 1,776,806
Debt service reserves	7,407,500
Parks and open space	181,083
Debt repayment	<u>2,739,927</u>
	<u>\$ 12,105,316</u>

Housing Authority Cash

At December 31, 2021, the carrying amount of deposits for the Sheridan Housing Authority was \$38,398. The entire Housing Authority balance was covered by FDIC insurance. In addition, at December 31, 2021, the Housing Authority had \$123,557 invested in COLOTRUST.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 is summarized below:

	Balances 12/31/20	Additions	Deletions	Balances 12/31/21
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 773,812	\$ -	\$ -	\$ 773,812
Total Capital Assets, not being depreciated	<u>773,812</u>	<u>-</u>	<u>-</u>	<u>773,812</u>
Capital assets, being depreciated				
Buildings	2,228,468	57,000	-	2,285,468
Vehicles	1,968,745	166,388	(180,052)	1,955,081
Equipment	221,322	-	-	221,322
Infrastructure	55,756,545	-	-	55,756,545
Total Capital Assets, being depreciated	<u>60,175,080</u>	<u>223,388</u>	<u>(180,052)</u>	<u>60,218,416</u>
Accumulated Depreciation				
Buildings	(1,363,224)	(73,594)	-	(1,436,818)
Vehicles	(1,204,933)	(159,080)	133,085	(1,230,928)
Equipment	(182,954)	(9,201)	-	(192,155)
Infrastructure	(8,770,794)	(1,822,194)	-	(10,592,988)
Total Accumulated Depreciation	<u>(11,521,905)</u>	<u>(2,064,069)</u>	<u>133,085</u>	<u>(13,452,889)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,653,175</u>	<u>(1,840,681)</u>	<u>(46,967)</u>	<u>46,765,527</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,426,987</u>	<u>\$ (1,840,681)</u>	<u>\$ (46,967)</u>	<u>\$ 47,539,339</u>

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

Depreciation per function	
General government	\$ 80,266
Public safety	115,297
Public works	1,824,612
Parks and recreation	43,894
Total	<u>\$ 2,064,069</u>

Capital asset activity for the year ended December 31, 2021 is summarized below for business-type activities:

	Balances 12/31/20	Additions	Deletions	Balances 12/31/21
Business Activities				
Capital assets, being depreciated				
Site Improvements	\$ 7,844,502	\$ -	\$ -	\$ 7,844,502
Accumulated Depreciation	(693,866)	(263,560)	-	(957,426)
Business Activities Capital Assets, Net	<u>\$ 7,150,636</u>	<u>\$ (263,560)</u>	<u>\$ -</u>	<u>\$ 6,887,076</u>

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

	Balances 12/31/2020	Advances	Payments	Balances 12/31/2021	Due Within One Year
General obligation bonds					
Series 2016	\$ 15,685,000	\$ -	\$ 445,000	\$ 15,240,000	\$ 465,000
Series 2016 Premium	1,790,925	-	85,282	1,705,643	85,282
Series 2017	12,135,000	-	325,000	11,810,000	345,000
Series 2017 Premium	1,821,404	-	83,106	1,738,298	83,106
Capital lease obligations	87,390	-	42,999	44,391	44,391
Compensated absences	327,841	291,674	267,125	352,390	352,390
Total City Debt	<u>31,847,560</u>	<u>291,674</u>	<u>1,248,512</u>	<u>30,890,722</u>	<u>1,375,169</u>
Sheridan Redevelopment Agency					
2011A-1	47,080,000	-	3,485,000	43,595,000	3,705,000
2011A-2	6,570,000	-	490,000	6,080,000	520,000
2011B-1	18,273,936	-	1,310,000	16,963,936	1,561,242
2011B-1 Accreted Interest	2,442,016	274,144	-	2,716,160	-
2011B-2	27,537,654	-	1,965,000	25,572,654	2,404,249
2011B-2 Accreted Interest	3,674,535	412,510	-	4,087,045	-
2011C	17,463,266	-	-	17,463,266	-
2011C Accreted Interest	14,663,041	2,099,162	-	16,762,203	-
Total	<u>137,704,448</u>	<u>2,785,816</u>	<u>7,250,000</u>	<u>133,240,264</u>	<u>8,190,491</u>
Total Noncurrent Obligations	<u>\$ 169,552,008</u>	<u>\$ 3,077,490</u>	<u>\$ 8,498,512</u>	<u>\$ 164,130,986</u>	<u>\$ 9,565,660</u>

Colorado Urban Renewal law states that the City has no obligation to repay the SRA's debt.

General Obligation Bonds

On April 6, 2016, the City issued \$17,980,000 of General Obligation Bonds (Series 2016 Bonds). Bond proceeds will be used to build infrastructure within the City. Interest accrues at rates ranging from 3% to 5% per annum and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2041.

Projected annual debt service requirements for the outstanding Series 2016 General Obligation Bonds at December 31, 2021, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 465,000	\$ 671,525	\$ 1,136,525
2023	490,000	648,275	1,138,275
2024	515,000	623,775	1,138,775
2025	540,000	598,026	1,138,026
2026	565,000	571,025	1,136,025
2027-2031	3,290,000	2,401,130	5,691,130
2032-2036	4,205,000	1,491,380	5,696,380
2037-2041	5,170,000	514,638	5,684,638
Total	<u>\$ 15,240,000</u>	<u>\$ 7,519,774</u>	<u>\$ 22,759,774</u>

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

On September 9, 2017, the City issued \$13,020,000 of General Obligation Bonds (Series 2017 Bonds). Bond proceeds will be used to build infrastructure within the City. Interest accrues at 5% per annum and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2042.

Projected annual debt service requirements for the outstanding Series 2017 General Obligation Bonds at December 31, 2021, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 345,000	\$ 576,500	\$ 1,138,775
2023	355,000	566,150	1,136,525
2024	365,000	555,500	1,138,275
2025	380,000	537,250	1,138,775
2026	400,000	518,250	
2027-2031	2,325,000	2,270,250	5,686,625
2032-2036	2,975,000	1,626,750	5,697,375
2037-2041	3,790,000	806,000	5,691,075
2042	875,000	43,750	2,271,113
Total	<u>\$ 11,810,000</u>	<u>\$ 7,500,400</u>	<u>\$ 23,898,538</u>

Variable Rate Tax Increment Refunding Revenue Bonds Series 2011A

On April 28, 2011, the SRA issued \$65,000,000 and \$9,075,000 of Variable Rate Tax Increment Revenue Bonds Series 2011A-1 and Series 2011A-2 Bonds (collectively the Series 2011A Bonds). Bond proceeds were used for the purpose of refunding the SRA's Series 2007A-1 and Series 2007A-2 bonds, funding a bond reserve and paying the fees and expenses of issuing the bonds.

The Series 2011A Bonds will initially bear interest based on the weekly rate which will be adjusted each Thursday and is payable on the first day of each month and shall be equal to the rate as set by the remarketing agent. The initial interest rate on the Series 2011A-1 and Series 2011A-2 Bonds were .3% and .4%. The Series 2011A-1 Bonds are subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2013 in the amount of \$295,000 and increase annually through December 2029 to \$12,185,000. The bonds can be optionally redeemed if the bonds are in the weekly or monthly mode on the first day of any month. The Series 2011A-2 Bonds are also subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2013 in the amount of \$40,000 and increase annually through December 2029 to \$1,700,000.

The principal, interest on, and purchase price of the Series 2011A-1 and Series 2011A-2 Bonds will be payable by the Trustee under separate irrevocable, direct pay letters of credit issued by JPMorgan Chase Bank, N.A.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Variable Rate Tax Increment Refunding Revenue Bonds Series 2011A (Continued)

The letters of credit allow the Trustee to draw up to an amount sufficient to pay the principal of the Series 2011A Bonds when due and up to 34 days' interest on the Series 2011A-1 and Series 2011A-2 Bonds at a maximum interest rate of 12% per annum. Each letter of credit expires on August 22, 2021 and may be terminated prior thereto, or extended therefrom, upon the occurrence of certain events. The letters of credit were issued pursuant to a reimbursement agreement between the SRA and JPMorgan Chase Bank, N.A., which obligates the SRA to reimburse the bank for draws and to pay certain fees and expenses.

During the year ended December 31, 2021, amounts borrowed and repaid under the letters of credit totaled \$48,773.

The Series 2011A Bonds are also special, limited revenue obligations of the SRA payable from and secured by the Series 2011A Bonds Trust Estate. The Bond Trust Estate shall include, among other things, ad valorem property tax increment revenues and sales tax increment revenues received by the SRA from a designated urban renewal area. The SRA has also pledged a portion of the public improvement fees and interest thereon related to the urban renewal area. The bonds are secured by a Series 2011A Bonds Reserve Fund initially funded with proceeds from the Series 2011A Bonds in the amount of \$7,407,500. At December 31, 2021, the Series 2011A Bonds Reserve Fund is fully funded.

The payment of principal and interest related to the Series 2011A Bonds is also guaranteed by the developer and a related entity until such time as the Rolling Twelve Month Debt Service Coverage Ratio as of the preceding 24 months is not less than 1.40.

The Rolling Twelve Month Debt Service Coverage Ratio is defined as the twelve-month previous pledged incremental tax revenues divided by the average annual debt service. At December 31, 2021, the Rolling Twelve Month Debt Service Coverage Ratio had not been met.

The SRA has also entered into an Interest Rate Exchange Agreement whereby the SRA will pay a fixed interest rate (3.80% on the Series 2011A-1 Bonds and 5.27% on the Series 2011A-2 Bonds) to the counterparty, Royal Bank of Canada ("RBC") and the counterparty will in turn pay a variable interest rate to the SRA. For the Series 2011A-1 Bonds the counterparty will pay interest based on the USD-SIFMA Municipal Swap Index. For the Series 2011A-2 Bonds, the counterparty will pay interest based on the one-month LIBOR Index. The Notional amount for these contracts is the outstanding bond principal of \$57,380,000. The contract was entered into on March 7, 2007 and terminates on December 1, 2029. Payments due to the counterparty are guaranteed by the developer and a related entity. The SRA has no net exposure to actual credit risk as this swap agreement is a liability. As the interest rate the SRA will pay is fixed, the Agency believes it has reduced its interest rate risk by entering into this agreement.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Variable Rate Tax Increment Refunding Revenue Bonds Series 2011A (Continued)

As the index for both the swap agreement and the bond issue are the same, the SRA believes it has no basis risk. The counterparty may terminate this contract if the SRA fails to perform under the contract or credit support agreement. In addition, the swap may automatically terminate due to cross default or other provisions included in the contract. As the swap agreement is scheduled to terminate when the bonds mature, the Agency has no rollover risk.

The fair value of the interest rate swaps is estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. At December 31, 2021, the market value of this contract is estimated to be a negative \$7,352,843. During the year ended December 31, 2021, the contract value decreased \$3,475,447. During the year ended December 31, 2021, under the swap agreement, the SRA paid the counterparty \$2,106,991.

RBC was rated Aa2, AA-, and AA under Moody's, Standard and Poor and Fitch, respectively.

Projected annual debt service requirements for the outstanding Series 2011A-1 Bonds at December 31, 2021, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,705,000	\$ 1,726,362	\$ 5,431,362
2023	3,945,000	1,579,644	5,524,644
2024	4,185,000	1,427,322	5,612,322
2025	4,455,000	1,257,696	5,712,696
2026	4,735,000	1,081,278	5,816,278
2027-2029	22,570,000	2,072,586	24,642,586
Total	<u>\$ 43,595,000</u>	<u>\$ 9,144,888</u>	<u>\$ 52,739,888</u>

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Variable Rate Tax Increment Refunding Revenue Bonds Series 2011A (Continued)

Projected annual debt service requirements for the outstanding Series 2011A-2 Bonds at December 31, 2021, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 520,000	\$ 320,416	\$ 840,416
2023	550,000	293,012	843,012
2024	585,000	264,750	849,750
2025	620,000	233,198	853,198
2026	660,000	200,524	860,524
2027-2029	3,145,000	384,537	3,529,537
Total	<u>\$ 6,080,000</u>	<u>\$ 1,696,437</u>	<u>\$ 7,776,437</u>

Subordinate Tax Increment Refunding Revenue Bonds Series 2011B

Also, on April 28, 2011, the SRA issued \$23,039,349 and \$34,705,443 of Series 2011B-1 Bonds and Series 2011B-2 Bonds (collectively the Series 2011B Bonds). This was a private placement with Weingarten Realty Investors. Bond proceeds were used for the purpose of refunding the SRA's Series 2007A-1, Series 2007A-2 Bonds, and Series 2007 B Bonds and paying the fees and expenses of issuing the bonds. The Series 2011B Bonds do not bear interest and mature on December 15, 2039. Failure to pay the full maturity amount of any sinking fund payment is not an Event of Default under the Indenture. Any unpaid Series 2011B Bond amounts still outstanding after maturity on December 15, 2039 will no longer be owed.

Payments on the Series 2011B Bonds are subordinated to the payment of current principal and interest on the Series 2011A Bonds. The bonds accrete interest at a rate of 1.419%. The Series 2011B-1 Bonds are subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2011 in the amount of \$305,000 and increase annually through December 2039 to \$1,510,000.

The Series 2011B-2 Bonds are also subject to optional and mandatory sinking fund redemption and mandatory purchase. Mandatory sinking fund redemptions began in 2011 in the amount of \$465,000 and increase annually through December 2039 to \$2,280,000.

The 2011B Bonds can be optionally redeemed on any date after the Series 2011A Bonds are no longer outstanding from any Pledged Incremental Tax Revenues and on any December 15 from the Debt Service Public Improvement Fee or the SRA Public Improvement Fee, at a redemption price equal to the maturity value, subject to the following provisions.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Subordinate Tax Increment Refunding Revenue Bonds Series 2011B (Continued)

No payment will be made on the Series 2011B Bonds until (a) the Series 2011A's Reserve Fund contains an amount equal to the reserve requirement, (b) the Series 2011A Bond Payment Fund contains an amount equal to the sum of (i) three months of interest on the Series 2011A Bonds and (ii) one-fourth of the principal due on the Series 2011A Bonds in the next calendar year; (c) all Agency Bond Fees and Bank Fees then due have been paid, (d) all amounts due and payable under the Bank Reimbursement Agreement, or any Interest Rate Exchange Agreement have been paid, and (vii) no Event of Default under the Indenture has occurred and is continuing.

Any sinking fund amounts not paid in the current year, no longer accrete interest, and become due and payable in the subsequent period. As of December 31, 2021, \$2,500,000 of current requirements remains unpaid and therefore are due in 2022.

Projected annual debt service requirements for the outstanding Series 2011B-1 Bonds at December 31, 2021, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,561,242	\$ 123,984	\$ 1,685,226
2023	686,242	133,758	820,000
2024	676,607	143,393	820,000
2025	667,103	152,897	820,000
2026	657,738	162,262	820,000
2037-2031	4,195,300	1,289,700	5,485,000
2032-2036	5,452,971	2,157,029	7,610,000
2037-2039	3,066,733	1,463,265	4,529,998
Total	<u>\$ 16,963,936</u>	<u>\$ 5,626,288</u>	<u>\$ 22,590,224</u>

Projected annual debt service requirements for the outstanding Series 2011B-2 Bonds at December 31, 2021, are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,404,249	\$ 188,244	\$ 2,592,493
2023	1,037,731	202,269	1,240,000
2024	1,027,287	217,713	1,245,000
2025	1,012,857	232,143	1,245,000
2026	998,639	246,361	1,245,000
2027-2031	6,337,114	1,947,886	8,285,000
2032-2036	8,124,212	3,215,788	11,340,000
2037-2039	4,630,565	2,209,435	6,840,000
Total	<u>\$ 25,572,654</u>	<u>\$ 8,459,839</u>	<u>\$ 34,032,493</u>

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Series 2011C Note Payable

Also, on April 28, 2011, the SRA refinanced \$13,139,024 of Series 2007C Notes and \$2,243,698 of interest by issuing 73 promissory 2011C Notes totaling \$17,463,266. The notes are owed to the Developer.

The notes accrete interest at an annual rate of 6.533%. Payments of principal and interest begin in December 2034 in the amount of \$1,525,000 and increase annually through December 2106 to \$26,420,000. These notes are payable from public improvement fee revenues. Payments of principal and interest on the notes are subordinate to the payment of the Series 2011A Bonds and the Series 2011B Bonds. As of December 31, 2021, the outstanding principal balance is \$17,463,266.

Any Series 2011C note not paid as of its maturity date will no longer accrete interest, and if not paid by December 15, 2106, will be extinguished, and no longer be an obligation of the agency.

Refunding

As described above, during the year ended December 31, 2011, the SRA undertook a refunding of all of its debt. In the refunding, the reacquisition price exceeded the net carrying amount of the old debt by \$9,721,880. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

Capital Lease Obligations

During 2017, the City entered into a capital lease for the purchase of a street sweeper. The equipment has fifteen-year useful life and a book value of \$143,604 at December 31, 2021. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. This lease is due in annual installments of \$45,830, including principal and interest at 3.24% and matures on April 10, 2022.

Following is a schedule of the future minimum lease payments required under this outstanding capital lease obligation:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 44,391	\$ 1,438	\$ 45,829
Total	\$ 44,391	\$ 1,438	\$ 45,829

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Compensated Absences

Compensated absences are expected to be liquidated with revenues of the General Fund. During the year ended December 31, 2021, the change in compensated absences was allocated to the following functions on the statement of activities.

General govt	\$ 5,523
Public safety	15,711
Public works	2,356
Community development	959
Total	<u>\$ 24,549</u>

NOTE 6 - LINE OF CREDIT

On December 30, 2021, the City renewed its line of credit with a bank for \$249,000 that expires December 30, 2022. Interest is a variable rate on any unpaid principal balance of the loan at the initial rate of 3.250%, based on the Wall Street Journal prime plus one percent. During the year ending December 31, 2021, the City made no draws on the line of credit. The line of credit is secured by the City Hall real property.

NOTE 7 - PENSION PLANS

The City maintains the following separately administered pension plans:

Plan Name	Plan Type
Volunteer Firefighters' Pension Plan	Agent multiple-employer defined benefit
Statewide Defined Benefit Plan	Cost-sharing multiple-employer defined benefit plan
Statewide Hybrid Plan-Defined Benefit Component	Cost-sharing multiple-employer defined benefit plan
Paid Staff Pension Plan	Defined contribution

These defined benefit plans are administered by the Fire and Police Pension Association of Colorado ("FPPA"). They are reported in the FPPA comprehensive annual financial report (CAFR). The CAFR of the FPPA may be obtained by contacting FPPA at 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721.

Volunteer Firefighters' Pension Plan

Plan Description – The City has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado Statute.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

The City no longer has an active Volunteer Fire Department, so there are no active members of the Plan.

Benefits Provided – Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a full benefit monthly pension of \$626.19. In addition, firefighters receive \$31.31 per month for each year of service exceeding 20 years. Any firefighter who has completed ten to twenty years of active service shall be eligible for a benefit of \$31.31 for each year served.

The Volunteer Plan also provides for a lump-sum burial benefit in the amount of \$1,135.58 upon the death of a retired firefighter. Spouses of deceased firefighters receive benefits equal to one-half those of a firefighter. Benefits are determined by the Volunteer Firefighter Pension Board and ratified by City Council.

At December 31, 2021, the following members were covered by the benefit terms:

Retirees and Beneficiaries	16
Inactive, Nonretired Members	0
Active Members	0
	<hr/>
	16
	<hr/> <hr/>

Contributions – Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2021. Contributions into the pension fund are derived from two sources: contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2021 the City and State actual contributions of \$50,000 and \$23,194 respectively, were equal to the required contributions to the Volunteer Plan.

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

At December 31, 2021, the City reported a net pension liability of \$417,651. The net pension liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2021.

For the year ended December 31, 2021, the City recognized pension income of \$88,396. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	\$ -	\$ 10,797
Contributions Subsequent to the Measurement Date	50,000	-
Total	<u>\$ 50,000</u>	<u>\$ 10,797</u>

\$50,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ (3,883)
2023	(487)
2024	(4,815)
2025	(1,612)
2026	-
Thereafter	-
Total	<u>\$ (10,797)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Mortality rates were based on the following:

- **Pre-retirement:** 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50 percent multiplier for off-duty mortality.
- **Post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- **Disabled:** 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). Being that the plan's fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 7.00 percent was used as the discount rate.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	2.00%	2.52%
Fixed Income - Rates	10.00%	5.20%
Fixed Income - Credit	5.00%	5.00%
Absolute Return	10.00%	5.50%
Long Short	8.00%	6.00%
Global Equity	39.00%	7.00%
Private Markets	26.00%	9.20%
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Volunteer Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment) to determine the total pension liability.

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00 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 (H.15)); and the resulting Single Discount Rate is 7.00 percent.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liabilities [a]-[b]
<u>Volunteer Plan</u>			
Balance, December 31, 2020	\$ 792,461	\$ 280,375	\$ 512,086
Changes for the year:			
Service cost	-	-	-
Interest	52,368	-	52,368
Benefit changes	25,204	-	25,204
Net investment income	-	26,964	(26,964)
Contributions - employer	-	50,000	(50,000)
Benefit payments including refunds of employee contributions	(90,232)	(90,232)	-
Difference between expected and actual experience of Total Pension Liability	(75,921)	-	(75,921)
Changes in assumptions	-	-	-
Administrative expense	-	(4,072)	4,072
State of Colorado supplemental discretionary payment	-	23,194	(23,194)
Net changes	(88,581)	5,854	(94,435)
Balance, December 31, 2021	\$ 703,880	\$ 286,229	\$ 417,651

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the Net Pension Liability (Asset)	\$ 469,150	\$ 417,651	\$ 372,683

The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

State of Colorado Fire and Police Pension Association-Statewide Defined Benefit Plan

Plan Description – The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Benefits Provided – A plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

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

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

State of Colorado Fire and Police Pension Association-Statewide Defined Benefit Plan (Continued)

Contributions – The City and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contributions 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 and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. The City's contributions to the plan of the year ended December 31, 2021, were \$209,025, equal to the required contributions.

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.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2021, the City reported a net pension asset of \$662,194, representing its proportionate share of the net pension asset of the plan. The net pension asset was measured at December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2020, the City's proportion was 0.3050 percent which was a decrease of 0.0027 percent from its proportion measured at December 31, 2019.

For the year ended December 31, 2021, the City recognized pension income of \$4,820. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 561,605	\$ 2,634
Changes of Assumptions or other Inputs	281,641	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	680,168
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	66,539	19,147
Contributions Subsequent to the Measurement Date	<u>209,025</u>	<u>-</u>
Total	<u>\$ 1,118,810</u>	<u>\$ 701,949</u>

\$209,025 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ (66,571)
2023	21,651
2024	(92,779)
2025	22,133
2026	128,930
Thereafter	<u>194,472</u>
Total	<u>\$ 207,836</u>

Actuarial Assumptions

The actuarial valuations as of January 1, 2021, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

For determining the total pension liability and actuarially determined contributions, 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 for all years. The pre-retirement off-duty mortality tables are adjusted to 50 percent of the RP-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 assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning 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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	39 %	8.23 %
Equity Long/Short	8 %	6.87
Private Markets	26 %	10.63
Fixed Income - Rates	10 %	4.01
Fixed Income - Credit	5 %	5.25
Absolute Return	10 %	5.60
Cash	2 %	2.32
Total	<u>100 %</u>	

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the 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 (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as the City’s proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability (Asset)	\$ 666,394	\$ (662,194)	\$ (1,762,430)

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in FPPA’s separately issued financial report, which may be obtained at www.fppaco.org.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Statewide Hybrid Plan – Defined Benefit Component

Plan Description – The Statewide Hybrid Plan (SWH) was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The SWH is comprised of two components: Defined Benefit and Money Purchase. The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (DROP) assets are included in the Fire & Police Members' Self-Directed Investment Fund.

The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report which can be obtained on FPPA's website at <http://www.FPPAco.org>.

Benefits Provided – The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55 if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' pensionable earnings for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement within the Defined Benefit Component after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' pensionable earnings for each year of credited service.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Contributions – The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at a rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member’s pensionable earnings. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2021 through June 30, 2022 was 14.1 percent. The City’s contributions to the plan of the year ended December 31, 2021, were \$11,444, equal to the required contributions.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2021, the City reported a net pension asset of \$130,638, representing its proportionate share of the net pension asset of the plan. The net pension asset was measured at December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The City’s proportion of the net pension asset was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2020, the City’s proportion was 0.4750 percent which was a decrease of 0.0113 percent from its proportion measured at December 31, 2019.

For the year ended December 31, 2021, the City recognized pension income of \$5,167. At 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	\$ 48,513	\$ -
Changes of Assumptions or other Inputs	6,135	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	30,252
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share of Contributions	49,536	3,336
Contributions Subsequent to the Measurement Date	11,444	-
Total	<u>\$ 115,628</u>	<u>\$ 33,588</u>

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

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

\$11,444 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ 22,985
2023	26,610
2024	14,859
2025	1,607
2026	3,605
Thereafter	930
Total	<u>\$ 70,596</u>

Actuarial Assumptions

The actuarial valuations for the SWH - Defined Benefit Component were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, 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 for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning 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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	39 %	8.23 %
Equity Long/Short	8 %	6.87
Private Markets	26 %	10.63
Fixed Income - Rates	10 %	4.01
Fixed Income - Credit	5 %	5.25
Absolute Return	10 %	5.60
Cash	2 %	2.32
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH - Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Discount Rate (Continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the 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 (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as the City’s proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability (Asset)	\$ (90,035)	\$ (130,638)	\$ (164,317)

Paid Staff Pension Plan

Plan Description – The City provides pension benefits for its employees through a defined contribution plan. All employees of the City except Sworn Officers are eligible to participate in the plan. Employees are eligible to participate following completion of 12 months of service. The City’s contributions vest based on a three-year cliff vesting schedule. Forfeitures are used to reduce employer or matching contributions. There were no forfeitures during 2021. Plan assets are held at Massachusetts Mutual Life Insurance Company.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLANS (CONTINUED)

Paid Staff Pension Plan (Continued)

Funding Policy – The plan requires that the City contribute an amount equal to 4.0% of the employee’s gross annual salary. The City contributions to the Plan for the year ending December 31, 2021 were \$47,068 equal to the required contribution.

NOTE 8 - RISK MANAGEMENT

The City is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any members of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The City’s claims have not exceeded coverage in any of the past three fiscal years.

During 2013, the City entered into a level funding policy for its health insurance with a third-party insurance company. The Colorado Division of Insurance considers this to be a self-funded medical plan. The City is responsible for the first \$20,000 of claims for each covered individual. The City funds claims by paying the maximum monthly claim liability as defined by the policy. At the end of the plan year, December 31, if the maximum monthly claim liability exceeds the amount of actual claims paid, that surplus (minus adjustments for the terminal fund account) is divided 50% to the insurance company and the City receives a credit on the following year’s premiums for 50% of the surplus. If the amount of actual claims paid exceeds the maximum monthly claim liability the City has no additional liability to the insurance company. For the policy year ended December 31, 2020 the City will receive a credit related to the 2020 premium of \$7,303. If the contract were to terminate the City is responsible to pay a terminal attachment factor to cover the incurred but not reported claims at that date.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 - RISK MANAGEMENT (CONTINUED)

Management believes that terminal attachment factor is fully funded as the Terminal Fund on Account with the insurance company is \$49,594 at December 31, 2021. For the year ended December 31, 2021, the City's maximum monthly claim liability totaled \$463,661. Claims paid against this amount totaled \$351,308.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

TABOR Amendment

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

In November 1999, voters within the City authorized the retention of any funds collected by the City during 2000, 2001, 2002 and 2003, notwithstanding the provisions of the Amendment, subject to the express condition that any such funds will be used solely for the purpose of street construction, maintenance, or repair.

In November 2004, voters within the City authorized the retention of all revenues received from any source during the 2004 budget year and each budget year thereafter that are in excess of the revenue and fiscal year spending limits that would otherwise apply under Article X, Section 20 of the Colorado Constitution, or any other law. Management believes the City is in compliance with Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$416,000 was recorded as restricted fund balance in the General Fund.

The SRA is not subject to the TABOR amendment. See *Olsen v City of Golden*, 53 p.3d.747 (Colo. App 2002) certiorari denied. In addition, the Housing Authority believes it is exempt from TABOR.

Environmental Remediation – SRA

A large portion of the property included in the urban renewal area (the "site") consisted of landfills and junk yards in addition to a medical transfer station, various businesses that generated hazardous wastes, vehicle repair facilities, and petroleum service stations, all, or some of which may have resulted in contamination of the site. Above and below ground storage tanks were discovered on the site. Contaminants from various off-site commercial/industrial activities have or may have migrated or may migrate in the future onto the site. As a result of historic on and off-site operations, a variety of contaminants have been documented or is suspected to be present at the site.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Environmental Remediation – SRA (Continued)

The developer submitted a voluntary cleanup plan application (the “plan”) for the site to the Colorado Department of Public Health and Environment (the CDPHE”). The plan contained several sub-plans that addressed materials removal, vapor intrusion and accumulation issues, and operations. The plan and related modifications have been approved by CDPHE. While some municipal waste material was excavated and disposed of off-site, municipal waste and other waste materials and contaminants remain on-site. Every owner, tenant, or occupant, within the mitigated zone, is required to design and construct a vapor intrusion mitigation system to address concerns related to methane gas produced by the remaining decomposing material. In addition, the plan did not address remediation of groundwater contamination existing on the site. The developer anticipates that the remediation efforts will take several years and will require additional CDPHE extensions to the plan.

The developer and related entities have jointly and severally agreed to indemnify the owners of the Series 2011A Bonds, through the Trustee, from certain losses that might be incurred as a result of claims arising under certain environmental laws.

In addition, the developer has obtained two environmental insurance policies covering potential liabilities associated with the development of the site, including a Pollution Legal Liability policy in the amount of \$40 million and a Contractor’s Pollution Liability policy in the amount of \$10 million.

Employment Contracts

The City has entered into an employment agreement. Under the terms of the agreement, if the employee is terminated, but not for cause, severance payments equal to approximately 6 month’s salary are due under the contract.

NOTE 10 - NET POSITION

At December 31, 2021, the City had a deficit net position of (\$79,750,232) and (\$86,575,459) related to governmental activities. As more fully described in Note 5, the debt of the SRA was refinanced in 2011. However, the ability of the SRA to meet future debt service payments is dependent upon the ability of the River Point Project to generate future sufficient tax increment revenues and public improvement fees, the ability to the developer to reach agreements with additional retail tenants for the River Point Project, and the ability of the developer and related entities to meet debt service guarantees.

CITY OF SHERIDAN, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 - INTERNAL BALANCES

All balances owed between funds as of December 31, 2021 are expected to be repaid within one year. In addition, during the year ended December 31, 2021, the Sheridan Redevelopment Agency transferred \$1,252,273 to the General Fund as reimbursement for services provided by the City to the SRA. In addition, the General Fund transferred \$607,446 to the Capital Improvements Fund for its operations and the Storm Water Fund transferred \$34,373 to the Capital Improvements fund for payment of debt service.

NOTE 12 - PENDING LITIGATION

The City is a defendant in various lawsuits arising in the normal course of business and covered by insurance. In the aggregate, these claims seek monetary damages in significant amounts. While the City vigorously defends its positions, the outcome of the claims cannot be determined at this time. Accordingly, a loss contingency has not been recorded for any of the claims.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHERIDAN, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	<u>2021</u>		Variance With Final Budget	<u>2020</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<u>Revenues</u>				
Taxes	\$ 7,524,467	\$ 8,453,990	\$ 929,523	\$ 7,976,478
Licenses	447,877	412,652	(35,225)	427,135
Intergovernmental	61,155	95,996	34,841	843,847
Charges for services	283,122	235,252	(47,870)	248,759
Fines and forfeitures	1,428,875	762,323	(666,552)	1,212,487
Investment earnings	75,000	5,394	(69,606)	39,921
Other income	1,249,430	1,137,978	(111,452)	1,052,255
Total Revenues	<u>11,069,926</u>	<u>11,103,585</u>	<u>33,659</u>	<u>11,800,882</u>
<u>Expenditures</u>				
General Government				
General government	706,512	793,455	(86,943)	712,296
City clerk	220,565	176,621	43,944	171,104
Victims advocate	124,377	112,259	12,118	105,039
Municipal court	362,011	319,766	42,245	282,556
Legislative	222,149	230,689	(8,540)	212,145
Total General Government	<u>1,635,614</u>	<u>1,632,790</u>	<u>2,824</u>	<u>1,483,140</u>
Public Safety				
Police	5,673,989	5,308,559	365,430	4,803,896
Fire	2,213,093	2,196,978	16,115	2,148,634
Total Public Safety	<u>7,887,082</u>	<u>7,505,537</u>	<u>381,545</u>	<u>6,952,530</u>
Public works				
Community Development	936,023	825,544	110,479	892,830
Non-Departmental	411,297	453,100	(41,803)	383,997
Debt Service	517,907	551,010	(33,103)	1,247,950
	200,500	-	200,500	-
Total Expenditures	<u>11,588,423</u>	<u>10,967,981</u>	<u>620,442</u>	<u>10,960,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(518,497)</u>	<u>135,604</u>	<u>654,101</u>	<u>840,435</u>
Other financing sources (uses)				
Transfer in	1,230,349	1,252,273	21,924	1,192,680
Transfer out	(681,570)	(607,446)	74,124	(789,406)
Sale of Assets	-	3,255	3,255	-
Total Other Financing Sources (Uses)	<u>548,779</u>	<u>648,082</u>	<u>99,303</u>	<u>403,274</u>
Changes in Fund Balance	<u>\$ 30,282</u>	783,686	<u>\$ 753,404</u>	1,243,709
Fund Balance, Beginning		<u>8,184,484</u>		<u>6,940,775</u>
Fund Balance, Ending		<u>\$ 8,968,170</u>		<u>\$ 8,184,484</u>

CITY OF SHERIDAN, COLORADO
BUDGETARY COMPARISON SCHEDULE
SHERIDAN REDEVELOPMENT AGENCY
YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for Year Ended December 31, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<u>Revenues</u>					
Property tax increment revenue	\$ 3,125,570	\$ 3,125,570	\$ 3,067,471	\$ (58,099)	\$ 3,000,293
Sales tax increment revenue	6,138,321	6,138,321	6,971,221	832,900	6,117,319
Public Improvement Fees	2,829,878	2,829,878	3,047,538	217,660	2,872,796
Investment earnings	80,579	80,579	4,184	(76,395)	47,383
Total Revenue	12,174,348	12,174,348	13,090,414	916,066	12,037,791
<u>Expenditures</u>					
General government	319,980	319,980	282,901	37,079	221,013
Redevelopment projects	2,700	2,700	435	2,265	124,877
Debt service	10,467,028	11,002,402	10,939,171	63,231	10,484,805
Contingency	70,000	70,000	-	70,000	-
Total Expenditures	10,859,708	11,395,082	11,222,507	172,575	10,830,695
Excess (deficiency) of revenues over (under) expenditures	1,314,640	779,266	1,867,907	1,088,641	1,207,096
<u>Other Financing Sources (Uses)</u>					
Transfers out	(1,230,349)	(1,230,349)	(1,252,273)	(21,924)	(1,192,680)
Total Other Financing Sources (Uses)	(1,230,349)	(1,230,349)	(1,252,273)	(21,924)	(1,192,680)
Changes in Fund Balance	\$ 84,291	\$ (451,083)	615,634	\$ 1,066,717	14,416
Fund Balance, Beginning			11,262,555		11,248,139
Fund Balance, Ending			\$ 11,878,189		\$ 11,262,555

CITY OF SHERIDAN, COLORADO
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
VOLUNTEER PENSION PLAN
LAST 10 FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	52,368	55,274	57,589	60,637	57,408	60,574	61,997
Benefit changes	25,204	-	42,925	-	43,504	-	27,371
Difference between expected and actual experience of the Total Pension Liability	(75,921)	-	2,778	-	3,968	-	(4,472)
Changes in assumptions	-	-	20,467	-	41,202	-	-
Benefit payments	(90,232)	(103,141)	(100,746)	(101,796)	(104,220)	(101,394)	(106,251)
Net changes	(88,581)	(47,867)	23,013	(41,159)	41,862	(40,820)	(21,355)
Total pension liability-beginning	792,461	840,328	817,315	858,474	816,612	857,432	878,787
Total pension liability-ending	\$ 703,880	\$ 792,461	\$ 840,328	\$ 817,315	\$ 858,474	\$ 816,612	\$ 857,432
<u>Plan Fiduciary Net Position</u>							
Contributions - employer	\$ 50,000	\$ 50,000	\$ 47,000	\$ 44,000	\$ 41,000	\$ 38,000	\$ 35,000
Net investment income	26,964	34,516	787	39,305	14,952	6,779	23,640
Benefit payments	(90,232)	(103,141)	(100,746)	(101,796)	(104,220)	(101,394)	(106,251)
Pension plan administrative expense	(4,072)	(6,232)	(4,518)	(5,885)	(740)	(2,822)	(936)
State of Colorado supplemental							
State of Colorado supplemental discretionary payment	23,194	23,194	23,194	23,194	23,194	23,194	23,194
Net changes	5,854	(1,663)	(34,283)	(1,182)	(25,814)	(36,243)	(25,353)
Plan fiduciary net position - beginning	280,375	282,038	316,321	317,503	343,317	379,560	404,913
Plan fiduciary net position-ending	\$ 286,229	\$ 280,375	\$ 282,038	\$ 316,321	\$ 317,503	\$ 343,317	\$ 379,560
Net pension liability – ending	\$ 417,651	\$ 512,086	\$ 558,290	\$ 500,994	\$ 540,971	\$ 473,295	\$ 477,872
Plan fiduciary net position as a percentage of total pension liability	40.66%	35.38%	33.56%	38.70%	36.98%	42.04%	44.27%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

CITY OF SHERIDAN, COLORADO
SCHEDULE OF PENSION CONTRIBUTIONS
VOLUNTEER PENSION PLAN
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 63,846	\$ 66,102	\$ 66,102	\$ 46,984	\$ 46,984	\$ 45,879	\$ 45,879	\$ 45,879
Actual contribution**	73,194	73,194	73,194	70,194	67,194	64,194	61,194	58,194
Contribution deficiency (excess)	\$ (9,348)	\$ (7,092)	\$ (7,092)	\$ (23,210)	\$ (20,210)	\$ (18,315)	\$ (15,315)	\$ (12,315)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual contribution as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

**Includes both employer and State of Colorado Discretionary payment.

CITY OF SHERIDAN, COLORADO
SCHEDULE OF THE CITY'S PROPORTIONARE SHARE OF THE NET
PENSION LIABILITY (ASSET) – STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion (percentage) of the collective net pension liability	0.3050%	0.3078%	0.3008%	0.0329%	0.3516%	0.3457%	0.3436%	0.3531%
City's proportionate share of the collective net pension liability (asset)	\$ (662,194)	\$ (174,058)	\$ 380,330	\$ (473,065)	\$ 127,044	\$ (6,095)	\$ (387,777)	\$ (315,695)
Covered payroll	\$ 2,946,126	\$ 2,428,527	\$ 2,015,125	\$ 1,923,388	\$ 1,807,735	\$ 1,681,663	\$ 1,545,175	\$ 1,533,450
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(22.48%)	(7.17%)	18.87%	(24.60%)	7.03%	(0.36%)	(25.10%)	(20.59%)
Plan fiduciary net pension as a percentage of the total pension liability (asset)	106.70%	101.90%	95.23%	106.34%	98.21%	100.10%	106.80%	105.80%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan. The City implemented Statement No. 68 in 2015; therefore, 10 years of data is not available.

CITY OF SHERIDAN, COLORADO
SCHEDULE OF THE CITY'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014
City's proportion (percentage) of the collective net pension liability	0.4750%	0.4863%	0.4693%	0.4768%	0.5459%	0.8793%	1.2232%
City's proportionate share of the collective net pension liability (asset)	\$ (130,638)	\$ (94,696)	\$ (64,783)	\$ (93,222)	\$ (59,426)	\$ (92,620)	\$ (145,070)
Covered payroll	\$ 137,600	\$ 114,175	\$ 93,500	\$ 91,125	\$ 88,379	\$ 141,375	\$ 189,275
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(94.94%)	(82.94%)	(69.29%)	(102.30%)	(67.24%)	(65.51%)	(76.65%)
Plan fiduciary net pension as a percentage of the total pension liability (asset)	138.00%	130.06%	123.46%	138.86%	127.50%	129.44%	140.60%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan. The City implemented Statement No. 68 in 2015; therefore, 10 years of data is not available.

CITY OF SHERIDAN, COLORADO
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET) – STATEWIDE HYBRID PLAN
LAST 10 FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion (percentage) of the collective net pension liability	0.4750%	0.4863%	0.4693%	0.4768%	0.5459%	0.8793%	1.2232%	1.5005%
City's proportionate share of the collective net pension liability (asset)	\$ (130,638)	\$ (94,696)	\$ (64,783)	\$ (93,222)	\$ (59,426)	\$ (92,620)	\$ (145,070)	\$ (153,056)
Covered payroll	\$ 137,600	\$ 114,175	\$ 93,500	\$ 91,125	\$ 88,379	\$ 141,375	\$ 189,275	\$ 242,650
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(94.94%)	(82.94%)	(69.29%)	(102.30%)	(67.24%)	(65.51%)	(76.65%)	(63.08%)
Plan fiduciary net pension as a percentage of the total pension liability (asset)	138.00%	130.06%	123.46%	138.86%	127.50%	129.44%	140.60%	139.00%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan. The City implemented Statement No. 68 in 2015; therefore, 10 years of data is not available.

CITY OF SHERIDAN, COLORADO
SCHEDULE OF THE CITY'S CONTRIBUTIONS
STATEWIDE HYBRID PLAN
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contributions	\$ 11,444	\$ 11,008	\$ 9,134	\$ 7,480	\$ 7,290	\$ 7,070	\$ 11,310	\$ 15,142	\$ 19,412
Contributions in relation to the statutorily required contributions	11,444	11,008	9,134	7,480	7,290	7,070	11,310	15,142	19,412
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 143,047	\$ 137,600	\$ 114,175	\$ 93,500	\$ 91,125	\$ 88,379	\$ 141,375	\$ 189,275	\$ 242,650
Contribution as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

*The amounts presented for each fiscal year were determined as of December 31. The City implemented GASB Statement No. 68 in 2015; therefore, 10 years of data is not available.

SUPPLEMENTARY INFORMATION

CITY OF SHERIDAN, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
With Comparative Totals for December 31, 2020

	<u>Special Revenue Funds</u>			<u>Total</u>	
	Capital	Conservation	Arapahoe		
	Improvements	Trust	County Open	2021	2020
	Fund	Fund	Fund		
<u>Assets</u>					
Cash and investments	\$ -	\$ -	\$ 1,021,317	\$ 1,021,317	\$ 976,650
Restricted cash and investments	1,776,806	181,083	-	1,957,889	1,309,494
Intergovernmental receivables	-	-	-	-	237,755
Total Assets	\$ 1,776,806	\$ 181,083	\$ 1,021,317	\$ 2,979,206	\$ 2,523,899
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 237,755
Due to other funds	39,992	5,745	47,500	93,237	15,182
Unearned revenue	-	-	68,400	68,400	68,400
Total Liabilities	39,992	5,745	115,900	161,637	321,337
<u>Fund Balances</u>					
Restricted for:					
Capital projects	1,736,814	-	-	1,736,814	1,294,366
Parks and open space	-	175,338	905,417	1,080,755	908,196
Total Fund Balances	1,736,814	175,338	905,417	2,817,569	2,202,562
Total Liabilities and Fund Balances	\$ 1,776,806	\$ 181,083	\$ 1,021,317	\$ 2,979,206	\$ 2,523,899

See the accompanying Independent Auditors' Report

CITY OF SHERIDAN, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	<u>Special Revenue Funds</u>			<u>Total</u>	
	<u>Capital Improvements Fund</u>	<u>Conservation Trust Fund</u>	<u>Arapahoe County Open Space Fund</u>	<u>2021</u>	<u>2020</u>
<u>Revenues</u>					
Intergovernmental	\$ 66,095	\$ 39,376	\$ 584,532	\$ 690,003	\$ 1,380,941
Investment earnings	641	74	435	1,150	11,290
Total Revenues	<u>66,736</u>	<u>39,450</u>	<u>584,967</u>	<u>691,153</u>	<u>1,392,231</u>
<u>Expenditures</u>					
Public safety	68,424	-	-	68,424	36,474
Parks, recreation and open space	-	5,691	-	5,691	105,744
Capital Outlay	296,597	-	446,167	742,764	1,585,928
Debt Service:					
Principal	42,999	-	-	42,999	41,649
Interest	2,832	-	-	2,832	4,181
Total Expenditures	<u>410,852</u>	<u>5,691</u>	<u>446,167</u>	<u>862,710</u>	<u>1,773,976</u>
<u>Other Financing Sources (Uses)</u>					
Transfers in	641,819	-	-	641,819	3,454
Insurance proceeds	123,445	-	-	123,445	-
Sale of assets	21,300	-	-	21,300	823,779
Total Other Financing Sources (Uses)	<u>786,564</u>	<u>-</u>	<u>-</u>	<u>786,564</u>	<u>827,233</u>
Changes in Fund Balance	442,448	33,759	138,800	615,007	445,488
Fund Balance, Beginning	<u>1,294,366</u>	<u>141,579</u>	<u>766,617</u>	<u>2,202,562</u>	<u>1,757,074</u>
Fund Balance, Ending	<u>\$ 1,736,814</u>	<u>\$ 175,338</u>	<u>\$ 905,417</u>	<u>\$ 2,817,569</u>	<u>\$ 2,202,562</u>

See the accompanying Independent Auditors' Report

CITY OF SHERIDAN, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	2021		Variance with Final Budget	2020
	Original and Final Budget	Actual		Actual
<u>Revenues</u>				
Intergovernmental	\$ 42,428	\$ 39,376	\$ (3,052)	\$ 44,453
Investment earnings	2,000	74	(1,926)	1,275
	44,428	39,450	(4,978)	45,728
<u>Expenditures</u>				
Parks, recreation and open space	26,000	5,691	20,309	105,744
	26,000	5,691	20,309	105,744
Changes in fund balance	<u>\$ 18,428</u>	33,759	<u>\$ 15,331</u>	(60,016)
Fund Balance, Beginning		<u>141,579</u>		<u>201,595</u>
Fund Balance, Ending		<u>\$ 175,338</u>		<u>\$ 141,579</u>

See the accompanying Independent Auditors' Report

CITY OF SHERIDAN, COLORADO
BUDGETARY COMPARISON SCHEDULE
ARAPAHOE COUNTY OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for Year Ended December 31, 2020

	2021			Variance with Final Budget	2020
	Original Budget	Final Budget	Actual		Actual
<u>Revenues</u>					
Intergovernmental	\$ 234,107	\$ 234,107	\$ 584,532	\$ 350,425	\$ 1,336,488
Investment earnings	5,500	5,500	435	(5,065)	3,830
Total Revenues	<u>239,607</u>	<u>239,607</u>	<u>584,967</u>	<u>345,360</u>	<u>1,340,318</u>
<u>Expenditures</u>					
Capital outlay	15,000	472,967	446,167	26,800	1,133,864
Total Expenditures	<u>15,000</u>	<u>472,967</u>	<u>446,167</u>	<u>26,800</u>	<u>1,133,864</u>
Changes in Fund Balance	<u>\$ 224,607</u>	<u>\$ (233,360)</u>	138,800	<u>\$ 372,160</u>	206,454
Fund Balance, Beginning			<u>766,617</u>		<u>560,163</u>
Fund Balance, Ending			<u>\$ 905,417</u>		<u>\$ 766,617</u>

See the accompanying Independent Auditors' Report

CITY OF SHERIDAN, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND
YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	<u>2021</u>			Variance With Final Budget	<u>2020</u>
	Original Budget	Final Budget	Actual		Actual
<u>Revenues</u>					
Intergovernmental revenues	\$ 458,230	\$ 458,230	\$ 66,095	\$ (392,135)	\$ -
Investment earnings	10,000	10,000	641	(9,359)	6,185
Total Revenues	<u>468,230</u>	<u>468,230</u>	<u>66,736</u>	<u>(401,494)</u>	<u>6,185</u>
<u>Expenditures</u>					
Public safety	178,340	178,340	68,424	109,916	36,474
Public Works	45,000	45,000	-	45,000	-
Capital Outlay	120,000	307,232	296,597	10,635	452,064
Debt Service					
Principal	10,750	10,750	42,999	(32,249)	41,649
Interest	708	708	2,832	(2,124)	4,181
Total Expenditures	<u>354,798</u>	<u>542,030</u>	<u>410,852</u>	<u>131,178</u>	<u>534,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>113,432</u>	<u>(73,800)</u>	<u>(344,116)</u>	<u>(270,316)</u>	<u>(528,183)</u>
<u>Other Financing Sources:</u>					
Transfers in	223,340	223,340	641,819	418,479	-
Insurance proceeds	-	-	123,445	123,445	3,454
Sale of assets	-	-	21,300	21,300	823,779
Total Other Financing Sources	<u>223,340</u>	<u>223,340</u>	<u>786,564</u>	<u>563,224</u>	<u>827,233</u>
Changes in Fund Balance	<u>\$ 336,772</u>	<u>\$ 149,540</u>	442,448	<u>\$ 292,908</u>	299,050
Fund Balance, Beginning			<u>1,294,366</u>		<u>995,316</u>
Fund Balance, Ending			<u>\$ 1,736,814</u>		<u>\$ 1,294,366</u>

See the accompanying Independent Auditors' Report

CITY OF SHERIDAN, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for Year Ended December 31, 2020

	2021		Variance With Final Budget	2020
	Original and Final Budget	Actual		Actual
<u>Revenues</u>				
Taxes	\$ 2,103,125	\$ 2,094,491	\$ (8,634)	\$ 2,084,883
Investment earnings	20,000	5,134	(14,866)	16,781
Total Revenues	<u>2,123,125</u>	<u>2,099,625</u>	<u>(23,500)</u>	<u>2,101,664</u>
<u>Expenditures</u>				
General government	30,075	20,123	9,952	20,006
Debt Service				
Principal	770,000	770,000	-	735,000
Interest	1,286,525	1,286,525	-	1,319,025
Contingency	20,000	-	20,000	-
Total Expenditures	<u>2,106,600</u>	<u>2,076,648</u>	<u>29,952</u>	<u>2,074,031</u>
Changes in Fund Balance	<u>\$ 16,525</u>	22,977	<u>\$ 6,452</u>	27,633
Fund Balance, Beginning		<u>1,571,549</u>		<u>1,543,916</u>
Fund Balance, Ending		<u>\$ 1,594,526</u>		<u>\$ 1,571,549</u>

See the accompanying Independent Auditors' Report

CITY OF SHERIDAN, COLORADO
BUDGETARY COMPARISON SCHEDULE
STORM WATER FUND – NON-GAAP BASIS
YEAR ENDED DECEMBER 31, 2021

With Comparative Totals for Year Ended December 31, 2020

	2021		Variance With Final Budget	2020
	Original and Final Budget	Total Actual		Actual
<u>Revenue</u>				
User changes and fees	\$ 107,110	\$ 109,144	\$ 2,034	\$ 99,667
Interest income	300	169	(131)	174
	107,410	109,313	1,903	99,841
<u>Operating Expenses</u>				
Stormwater operations	426,620	345,375	81,245	349,912
	(319,210)	(236,062)	83,148	(250,071)
<u>Non-Operating Income (Expense)</u>				
Transfers out	(34,373)	(34,373)	-	(34,373)
Changes in Net Position	\$ (353,583)	(270,435)	\$ 83,148	(284,444)
Net Position, Beginning		7,095,662		7,380,106
Net Position, Ending		\$ 6,825,227		\$ 7,095,662

See the accompanying Independent Auditors' Report

COMPLIANCE SECTION

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
City of Sheridan
YEAR ENDING :
December 2021

This Information From The Records Of: City of Sheridan

Prepared By: Teresa Adler
Phone: 303-762-2200

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	133,039
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,129
2. General fund appropriations	714,868	b. Snow and ice removal	35,549
3. Other local imposts (from page 2)	2,094,492	c. Other	146,687
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	185,364
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	696,759
a. Bonds - Original Issues		6. Total (1 through 5)	1,015,162
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,286,525
7. Total (1 through 6)	2,809,360	b. Redemption	770,000
B. Private Contributions		c. Total (a. + b.)	2,056,525
C. Receipts from State government (from page 2)	208,675	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,018,034	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	2,056,525
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,071,687

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	27,820,000		770,000	27,050,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,483,388	3,018,034	3,071,687	1,429,736	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

City or County:
City of Sheridan
YEAR ENDING (mm/yy):
December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,928,273	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	166,218	g. Other Misc. Receipts	
6. Total (1. through 5.)	166,218	h. Other	
c. Total (a. + b.)	2,094,492	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	184,739	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	23,936	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	23,936	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	208,675	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

CITY OF SHERIDAN, COLORADO
CONTINUING DISCLOSURES
DECEMBER 31, 2021

Table II (Series 2016 & 2017)
History of City's Mill Levy

<u>Levy/Collection Year</u>	<u>General Fund</u>	<u>Bond Account*</u>	<u>Abate ments</u>	<u>Total Mill Levy</u>
2014/2015	5.974	2.095	0.062	8.131
2015/2016	5.974	17.359	0.03	23.363
2016/2017	5.974	19.857	0.365	26.196
2017/2018	5.974	18.058	0.077	24.109
2018/2019	5.974	17.288	0.582	23.844
2019/2020	5.974	14.168	0.168	20.310
2020/2021	5.974	14.462	0.204	20.640

*A separate account is used to pay the principal and interest on the City's general obligation bonds.
Source: Arapahoe County Assessor's Office

Table III (Series 2016 & 2017)
History of City's Assessed Valuation

<u>Levy/Collection Year</u>	<u>Gross Assessed Valuation</u>	<u>Tax Increment Valuation**</u>	<u>Net Assessed Valuation</u>	<u>Percent Change</u>
2014/2015	\$ 105,273,990	\$ 21,253,215	\$ 84,020,775	
2015/2016	120,057,771	24,873,618	95,184,153	13.29%
2016/2017	120,791,182	26,568,341	94,222,841	-1.01%
2017/2018	144,253,544	31,623,905	112,629,639	19.54%
2018/2019	143,825,021	31,185,295	112,639,726	0.01%
2019/2020	168,649,120	32,019,450	136,629,670	21.30%
2020/2021	166,766,748	32,735,192	134,031,556	-1.90%

**The City does not receive property tax revenue from incremental assessed valuation in excess of "base" valuation in property tax increment areas.
Source: Arapahoe County Assessor's Office

CITY OF SHERIDAN, COLORADO
CONTINUING DISCLOSURES
DECEMBER 31, 2021

Table V (Series 2016 & 2017)
Property Tax Collections for the City

<u>Levy/Collection Year</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected*</u>	<u>Percent of Levy Collected</u>
2014/2015	\$ 683,173	\$ 678,623	99.3%
2015/2016	2,223,787	2,201,717	99.0%
2016/2017	2,468,262	2,459,810	99.7%
2017/2018	2,715,388	2,652,674	97.7%
2018/2019	2,685,782	2,683,959	99.9%
2019/2020	2,774,949	2,745,974	99.0%
2020/2021	2,766,411	2,752,010	99.5%

*Figures include current and delinquent tax collections, as well as penalties thereon.

Source: City of Sheridan

CITY OF SHERIDAN, COLORADO
CONTINUING DISCLOSURES
DECEMBER 31, 2021

Table VIII (Series 2016 & 2017)
History of General Fund Revenues, Expenditures and Changes in Fund Balances

	2017	2018	2019	2020	2021
Revenues					
Taxes	\$ 6,196,598	\$ 6,648,525	\$ 7,370,615	\$ 7,976,478	\$ 8,453,990
Licenses	646,801	451,936	525,200	427,135	412,652
Intergovernmental	381,113	119,330	88,907	843,847	95,996
Charges for services	297,048	315,919	291,919	248,759	235,252
Fines and forfeitures	1,410,476	1,621,189	1,606,529	1,212,487	762,323
Investment earnings	9,212	71,059	111,251	39,921	5,394
Other income	960,870	969,196	994,888	1,052,255	1,137,978
Total Revenues	<u>9,902,118</u>	<u>10,197,154</u>	<u>10,989,309</u>	<u>11,800,882</u>	<u>11,103,585</u>
Expenditures					
General Government					
General government	434,563	514,847	549,671	712,296	793,456
City clerk	207,775	169,642	175,423	171,104	176,622
Victims advocate	70,448	68,634	90,765	105,039	112,260
Municipal court	281,328	310,103	301,095	282,556	319,766
Legislative	180,449	253,522	248,306	212,145	230,686
Public Safety					
Police	4,033,802	4,453,924	5,055,285	4,803,896	5,308,559
Fire	1,995,267	2,035,172	2,035,172	2,148,634	2,196,978
Public works	720,088	826,547	818,719	892,830	825,544
Community Development	394,242	421,118	489,044	383,997	453,100
Non-Departmental	472,787	452,490	486,850	1,247,950	551,010
Capital Equipment and Projects	385,649	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	<u>9,176,398</u>	<u>9,505,999</u>	<u>10,250,330</u>	<u>10,960,447</u>	<u>10,967,981</u>
Excess of Revenues Over Expenditures	<u>725,720</u>	<u>691,155</u>	<u>738,979</u>	<u>840,435</u>	<u>135,604</u>
Other financing sources (uses)					
Transfer in	950,280	987,589	1,083,912	1,192,680	1,252,273
Transfer out	(639,981)	(416,397)	(594,268)	(789,406)	(607,446)
Sale of Assets	-	-	5,096	-	3,255
Total Other Financing Sources (Uses)	<u>310,299</u>	<u>571,192</u>	<u>494,740</u>	<u>403,274</u>	<u>648,082</u>
Changes in Fund Balance	1,036,019	1,262,347	1,233,719	1,243,709	783,686
Fund Balance, Beginning	<u>3,408,690</u>	<u>4,444,709</u>	<u>5,707,056</u>	<u>6,940,775</u>	<u>8,184,484</u>
Fund Balance, Ending	<u>\$ 4,444,709</u>	<u>\$ 5,707,056</u>	<u>\$ 6,940,775</u>	<u>\$ 8,184,484</u>	<u>\$ 8,968,170</u>

Source: City's audited financial statements for years ended December 31, 2015 - 2020.