



# CITY OF CAÑON CITY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2018



# **CITY OF CAÑON CITY COLORADO**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT For the fiscal year ended December 31, 2018**

**Prepared by:  
Department of Finance**



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# TABLE OF CONTENTS

	<b>PAGE</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	i – vii
Elected Officials.....	viii
Appointed Officials and Department Heads.....	ix
City Organization Chart.....	x
Certificate of Achievement for Excellence in Financial Reporting.....	xi
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	1 - 2
Management's Discussion and Analysis.....	3 - 12
<b>Basic Financial Statements</b>	
Statement of Net Position.....	15
Statement of Activities.....	16 - 17
Balance Sheet - Governmental Funds.....	18
Reconciliation of the Governmental Funds Balance Sheet To Statement of Net Position.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	21
Statement of Net Position – Proprietary Funds.....	22
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	23
Statement of Cash Flows – Proprietary Funds.....	24
Notes to Financial Statements.....	25 - 48
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund.....	51
Budgetary Comparison Schedule – Street Improvement Fund.....	52
Budgetary Comparison Schedule – Quality of Life Fund.....	53
Budgetary Comparison Schedule – Water Fund.....	54
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions.....	55 - 56

# TABLE OF CONTENTS

(Continued)

	PAGE
<b>FINANCIAL SECTION (Continued)</b>	
<b>Required Supplementary Information (Continued)</b>	
Notes to Required Supplementary Information.....	57
<b>Combining and Individual Fund Statements and Schedules</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	60 - 61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	62 - 63
Budgetary Comparison Schedule – Park Improvement Fund.....	64
Budgetary Comparison Schedule – Conservation Trust Fund.....	65
Budgetary Comparison Schedule – Library Donations Fund.....	66
Budgetary Comparison Schedule – Museum Donations Fund.....	67
Budgetary Comparison Schedule – Excess Special Improvement District Fund.....	68
Budgetary Comparison Schedule – Stormwater Utility Fund.....	69
Budgetary Comparison Schedule – Insurance Internal Service Fund.....	70
<b>STATISTICAL SECTION (Unaudited)</b>	
Statistical Section Contents Summary.....	71
<b>Financial Trends</b>	
Net Position by Component (Table 1).....	72 - 75
Changes in Net Position (Table 2) .....	76 - 79
Fund Balances, Governmental Funds (Table 3).....	80 - 81
Changes in Fund Balances, Governmental Funds (Table 4).....	82 - 83
<b>Revenue Capacity</b>	
Assessed Value and Estimated Actual Value of Taxable Property (Table 5).....	84 - 85
Direct and Overlapping Property Tax Rates (Table 6).....	86 – 87
Property Tax Levies and Collections (Table 7).....	88

# TABLE OF CONTENTS

(Continued)

<b>STATISTICAL SECTION</b> (Continued)	<b>PAGE</b>
<b>Revenue Capacity</b> (Continued)	
General Revenues-Taxes by Category (Table 8).....	90 - 91
Sales Tax by Category (Table 9).....	92 - 93
Royal Gorge Bridge Lease Revenues (Table 10).....	94
Water Revenues (Table 11).....	96 - 97
Water Sales by Type of Customer (Table 12).....	98 - 99
<b>Debt Capacity</b>	
Ratios of Outstanding Debt by Type (Table 13).....	100 - 101
Ratios of General Bonded Debt Outstanding and Legal Debt Margin (Table 14).....	102 - 103
Ratios of Water Fund Debt Outstanding (Table 15).....	104 - 105
Direct and Overlapping Debt (Table 16).....	106
<b>Demographic and Economic Information</b>	
Demographic and Economic Statistics (Table 17).....	107
Principal Employers (Table 18).....	108
Full-Time Equivalent City Government Employees by Function/Program (Table 19).....	110 - 111
<b>Operating Information</b>	
Operating Indicators by Function/Program (Table 20).....	112 - 113
Capital Asset Statistics by Function/Program (Table 21).....	114 - 115
<b>COMPLIANCE SECTION</b>	
Local Highway Finance Report.....	117-118



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# ***City of Cañon City***

**P.O. Box 1460 – 128 Main Street – Cañon City, CO 81215-1460**  
(719) 269-9011 – Fax: (719) 269-9017

July 8, 2019

Honorable Mayor and City Council  
City of Cañon City, Colorado

The Finance Department of the City of Cañon City is pleased to submit this Comprehensive Annual Financial Report (CAFR) for the City of Cañon City, Colorado (the “City”), for the year ended December 31, 2018, as required by local ordinance, the City Charter, and Colorado State statutes. These ordinances and statutes require that the City issue an annual report regarding its financial position and activity and that an independent firm of certified public accountants audit this report. This financial reporting entity addresses all funds of the City of Cañon City.

## **THE REPORT**

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with management. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner designed to fairly represent the City’s financial position and the result of operations of the various funds. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

The administration of the City is responsible for establishing and maintaining internal control in order to make certain that the assets of the municipality are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement.

As a recipient of federal, state, and local financial assistance, the City is responsible for ensuring that adequate internal controls are in place to assure and document compliance with the applicable laws and regulations as it relates to these programs. This internal control is subject to periodic evaluation by the City’s administration.

The City’s Charter also requires that an annual audit be conducted by an independent certified public accountant. The firm of Hinkle & Company, PC was retained by City Council for this purpose. The auditors’ report on the basic financial statements is included in the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s

Discussion and Analysis (MD&A). The MD&A begins immediately following the report from the independent auditors and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **PROFILE OF THE COMMUNITY AND GOVERNMENT SERVICES**

The City of Cañon City, which is the county seat of Fremont County, is located at the mouth of the Royal Gorge in south-central Colorado where the Arkansas River emerges from the canyon. The community is situated 45 miles southwest of Colorado Springs and 39 miles west of Pueblo, Colorado. The most current population estimate from the State Demographer indicates 16,569 people living within the incorporated City limits. The median age of the community's residents is about six years older than that of the state. The annual median household income in Cañon City is \$41,892, approximately \$23,566 less than it is state-wide.

The City has experienced a minor annual population increase (about 0.2% per year) since 2010. While Cañon City is close to urban populations it is a place where you can make a living and actually enjoy a relatively small-town lifestyle if you choose. The quality of life for residents has expanded as more services are being provided.

The Royal Gorge Bridge, which was the highest suspension bridge in the world until 2001 but still remains the highest suspension bridge in North America at 1,053 feet above the Arkansas River, continues to be an attraction for visitors from all over the world. The Bridge, as a local attraction, declined from about 329,000 visitors in 2002 to 266,000 in 2012; the year prior to the summer wildfire in 2013 that destroyed most of the Park facilities. In 2018, the fourth full year of attendance following the fire, the number of visitors has increased to 365,000 or 37.2% since 2012. The increase is attributable to new facilities and new attractions. The Royal Gorge Bridge and Park and other tourist amenities such as the Royal Gorge Route Railroad, a world-class whitewater rafting industry and an ever increasing mountain trail network continue to make Cañon City a stop on many tourist itineraries.

The City provides a full range of municipal services. These services include law enforcement, construction and maintenance of streets and stormwater facilities and related infrastructure; parks and recreational facilities, forestry services, fleet maintenance, the public library, museum and history center, cemeteries, and administrative services. The governing body also exercises oversight of the water treatment and delivery systems, police and employees' retirement systems, and the operation of the local Government Access Channel (CCTV – Channel 191).

## **BUDGETARY CONTROL**

The City maintains extensive budgetary controls. In October, the City Administrator submits to the City Council a proposed budget for the next calendar year. The budget includes proposed expenditures and the means of financing them. One or more public hearings are conducted by the City Council to obtain taxpayer comments. Prior to December 31<sup>st</sup>, the budget is legally adopted by a resolution of City Council. In accordance with the City's charter, all expenditures over \$6,500 must be bid and approved by the City Council. The charter allows for exceptions to the bid requirements for professional services and routine expenditures such as utility payments and payroll taxes.

Appropriations cease at year's end. During the year, the City Administrator, based on department head recommendations, may make operating line item changes within the fund and program. The City Council

may amend the budget by ordinance at any time. During 2018, one revision to budget appropriations was approved. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound budgetary and financial management.

## LOCAL ECONOMY

Tourism, corrections, and healthcare are the three key industry drivers in Cañon City and the surrounding Fremont County. The tourism industry has been growing at a steady rate and is anchored by the Royal Gorge Bridge with approximately 350,000 visitors each year, the Royal Gorge Route Railroad with approximately 130,000 annual visitors, and ever-expanding outdoor recreation. The corrections industry along with St. Thomas Moore Hospital continue to be economic stabilizers in Cañon City as the largest employers of the City with services that outreach into Fremont County.

The local economy has continued to grow after several years of recovery subsequent to the 2013 wildfire at the Royal Gorge Bridge and Park. The 2018 taxable sales for restaurants increased by 4.1% [RWN1]3%; building materials sales increased by 12.0%; and general merchandise sales increased by 1.3%. Overall, the City's General Fund sales tax revenues increased from \$6,597,767 in 2017 to \$6,920,819 in 2018, a 4.9% increase. Many out-of-town guests come to the area for the variety of attractions and activities that exist in the Royal Gorge Region.

Over the last two years the building market has improved with new, large, commercial and multi-family projects. The increase of tourism is evident in the building development that is occurring within the City boundaries. A new Holiday Inn Express will be added to the eastern gateway of Cañon City in 2019 and the restoration of the historic Hotel St. Cloud will be underway in downtown Cañon City with a scheduled opening in 2021. The total valuation for new construction in 2018 exceeded the prior 5-year average by 120.0%. A large portion of the building permit increase was due to increased storm damage during the year.

Year	Number of Permits	Valuation of Work
2013	512	\$15,355,073
2014	443	\$ 7,809,644
2015	422	\$ 8,634,285
2016	464	\$11,068,166
2017	613	\$24,149,567
2018	1,101	\$29,473,889

The City Council has continued to evaluate data gathered from a variety of sources including a 2017 and 2018 citizen survey. As a result, in 2017 the City Council established six Strategic Priorities, which are designed to build on the community's past and strengths and move the City towards its vision of a vibrant, attractive and safe community that values quality of life, adventure, and prosperity.

The City's 2017-2020 Strategic Plan discusses that, through collaboration and partnerships with other public, private, and non-profit entities, the City will aggressively support economic development and downtown revitalization efforts that will create quality, living wage jobs to ensure a diverse economic base, a resilient and growing City tax base, and long-term economic vitality for the City businesses. To continue to move the City economy forward, the City will carry on the commitment to the following initiatives to foster a dynamic and diverse economy for Cañon City.

1. Create policies and programs to retain, expand, incubate and attract businesses to expand and strengthen the local economy.
2. Continue the physical revitalization of the City to promote a strong first impression and community attractiveness to businesses and visitors.
3. Build on the community's history, heritage, natural resources, and livability to promote Cañon City as a tourist and business destination.
4. Collaborate with downtown businesses to foster the growth of the downtown as a destination through development of either a Downtown Development Authority or private non-profit Downtown Association, accessible parking, marketing, additional special events, better retail mix, an attractive physical environment, pedestrian-oriented design standards, and encourage investment and success by implementing the Downtown Strategic Plan.
5. Partner with the Royal Gorge Bridge and Park Company to build upon the amenities of the park by adding additional recreational and upscale camping opportunities.
6. Ensure a transparent, predictable, fair and balanced regulatory environment for business retention and growth.
7. Provide professional development and education opportunities to City businesses as in customer service, social-media, and business marketing.
8. Increase City involvement and partnerships with the Chamber of Commerce, Fremont Economic Development Corporation, Fremont County Tourism Council, Upper Arkansas Council of Governments, Pueblo Community College, Colorado Department of Transportation and other local, state, and federal partners to stimulate economic development.
9. Encourage the development of reliable and cost-effective ultrahigh-speed internet services throughout the business community.
10. Capitalize on the Arkansas River location by developing the river corridor as a vibrant, attractive, and active location for recreation, restaurants, residences and specialized retail opportunities.
11. Partner with the proposed Sun Cañon Development at Four Mile Ranch to facilitate the development of a 55+ active community with recreational amenities and a significant long term economic benefit to Cañon City.

## **LONG-TERM FINANCIAL PLANNING**

Over a number of years, the City has accumulated a large amount of fund balance assigned to capital outlay. Beginning with the 2017 budget, the City began to re-invest these resources into a variety of important community projects primarily related to parks & recreation and public works improvements. In November 2016, the Cañon City public approved Referendum 2-A, a 1.0% rate increase in sales and use tax to reconstruct the 67.0% of City streets that are in poor or failed condition. The proposal, approved by the voters, will allow the City to earmark revenues for street construction and improvement through the year 2026. Over the next ten-year period, the City estimates that \$35-\$40M will be invested in addressing the critical street reconstruction needs. While it is projected that the near-term increases in revenues should meet cost-of-living adjustments and provide for the basic capital improvement needs of the City and its residents, the City's revenues will not be sufficient to maintain a suitable street maintenance program after the 10-year expiration of the voter-approved sales tax increase. More than likely, this will continue to be the case unless significant growth occurs, there is a major increase in Royal Gorge Park attendance, or voters agree to some form of a permanent tax increase.

After some detailed assessment, City administration and City Council have determined that, while the City has experienced small but general increases in sales tax receipts from 2000 through 2018, when considering the effect of inflation, the actual growth has been negligible. The City is not sufficiently growing revenue to the point that it can fund activities and improvements beyond those traditionally provided, particularly with respect to street maintenance. In response, City Council must continue to emphasize long-term financial planning.

## **RELEVANT FINANCIAL POLICIES**

The Colorado Constitutional Amendment passed in November 1992, commonly known as the Taxpayer Bill of Rights (TABOR), restricts growth in governmental spending and revenues, with those amounts adjusted annually for inflation and a local growth factor. In November 2017, Cañon City's voters approved a referendum that allowed the City to extend, for an additional 10 years, a previously approved 10-year timeout to retain revenues that might otherwise have been refundable to citizens under the TABOR limits. As a result, the City is able to retain all "excess" revenues and spend them for capital improvements, municipal operations and services, and other public purposes. The City continues to be subject to other provisions of TABOR including maintaining an emergency reserve equal to 3% of annual spending and the requirement for elections to approve any tax increase or debt issuance (except related to enterprise funds, *i.e.*, Water or Stormwater Utility operations).

In 2016 the City adopted the Financial Management Policy & Stewardship of Public Funds. This formal policy document memorialized a number of existing policies and practices. Additional policies were established in the Financial Management Policy including Fund Balance Policies and long-term financial planning.

## **MAJOR INITIATIVES**

The City has instituted a number of new initiatives in recent years. To respond to concerns about falling attendance at the Royal Gorge Bridge and Park over the past decade, the uncertainty created by a single devastating event and a sustained period of slow economic growth in the community, City Council made economic development a priority. Council's efforts began with comprehensive long-range planning in 2017 which has continued through 2018.

The City has completed and adopted a community visioning and branding plan as well as a downtown strategy. Additionally plans have been completed for the improvement of the Highway 50 corridor, the Arkansas River corridor, improvements of bridges and sidewalks, community trails and open spaces, and several other plans that aim to improve the community and attract tourism and economic development. Each of these master plans should help propel economic development forward. Significant actions are expected in 2019 and beyond as the community seeks economic and financial growth and improvement.

The City has continued to institute efforts with the Chamber of Commerce, the Royal Gorge Regional Tourism Council and the Fremont County Tourism Council to advance the new community brand and undertake new marketing strategies that intend to grow area tourism and attract new business and growth to the community.

In 2017 the City created the Economic Development Department and hired an Economic Development Director. The Economic Development office works to be an advocate for local businesses and to help streamline the process and make the community more business friendly. The Economic Development

office is working on building better relationships with community partners, reviewing city policies, and working on existing plans such as the Downtown Master Plan and the Royal Gorge Master Plan. The City also actively searched for and obtained significant grants to aid in economic growth and improvement of the community. City Council and staff also worked with the Royal Gorge Bridge and Park Company of Colorado to establish a new direction for quality in the reconstruction and future improvements at the Park.

Multiple capital projects and improvements took place in the City's Parks Department during the year. Centennial Park had various improvements with a new parking lot, sod installation, new irrigation and drainage systems, splash pad shade structures, and new sidewalks. The river improvement project funded by a \$350,000 GOCO grant began in the winter of 2018 which encompassed bank stabilization and beautification, installation of an ice house wave feature, and a children's river pool area and outdoor classroom. Improvements at the Royal Gorge Park included twelve additional campsites, 6.4 additional miles of new trails, 2.5 miles of fencing around the border with cattle guards installed, as well as a study by the Bureau of Land Management of the completed Royal Gorge Park/Tunnel Drive Trail Connection.

In 2018, a number of initiatives were either newly implemented or continued in the City's Police Department. These included, among others; National Night Out programs, victim assistance, increased enrollment in the Police Academy, execution of mobile data terminals, and partnerships with organizations such as the Boys and Girls Club. In addition, there was improved training and safety gear for officers, expansion in the canine program, an increase in the drug task force initiative, protection of local schools, as well as increased involvement with everyday citizens. Each of these initiatives have been put in place to promote safety and awareness and strengthen ties between the City's police department and members of the community.

The City also undertook a city-wide comprehensive street and pavement management assessment to determine not only the condition of the public streets but also to understand financial requirements needed to maintain and improve the streets in the future. To address the need for additional revenue for this purpose, voters were asked to approve a 1% increase in the City's sales tax rate specifically for this purpose. In November 2016 the Cañon City voters approved the requested sales & use tax increase. By utilizing a \$5,000,000 interfund loan in combination with the first year sales tax collections, the City completed multiple major street improvements. This street improvement program continued with several essential street projects in 2018.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cañon City for its comprehensive annual financial report for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Sincerely,



Ryan Stevens  
Acting City Administrator



Tammy Nordyke  
Finance Director

# **City of Cañon City, Colorado**

## **Elected Officials**

For the Year Ended December 31, 2018



**Mayor**  
**Preston R. Troutman**  
**At Large**



**Council Member**  
**Frank Jaquez**  
**District 1**



**Council Member**  
**Ashley R. Smith**  
**District 2**



**Council Member**  
**John Hamrick**  
**District 3**



**Council Member**  
**Amanda Cochran**  
**At Large**



**Council Member**  
**Dolly Gonzales**  
**At Large**



**Council Member**  
**Jim Meisner**  
**At Large**



**Council Member**  
**Kaitlin B. Turner**  
**District 4**

# **City of Cañon City, Colorado**

## **Appointed Officials**

For the Year Ended December 31, 2018

City Administrator

Tony H. O'Rourke

City Attorneys

Hoffmann, Parker, Wilson & Carberry, P.C.

Municipal Court Judge

Larry D. Allen

## **Department Heads**

For the Year Ended December 31, 2018

Parks Director

Rex Brady

Water Superintendent

Bob Hartzman

Police Chief

Daric Harvey

City Engineer

Adam Lancaster

Library Director

Suzanne Lasha

Human Resources Director

Stephanie Masse

Finance/IT Director

Hasmukh (Harry) Patel

City Clerk

Cindy Foster-Owens

Equipment/Facilities/Streets Director

George Stepleton

Director of Economic Development

Ryan Stevens

Museum Director

Lisa Studts

Community Development Director

Deana Swetlik

# Organizational Chart

For the Year Ended December 31, 2018

## CITIZENS OF CAÑON CITY

### MAYOR AND CITY COUNCIL

Preston Troutman - MAYOR

Frank Jaquez, Ashley Smith, John Hamrick, Kaitlin Turner, Dolly Gonzales, Amanda Cochran, Jim Meisner

### CITY ATTORNEY

Hoffman, Parker, Wilson, & Carberry, P.C.

### MUNICIPAL JUDGE

Larry Allen

### CITY ADMINISTRATOR

Tony O'Rourke

### ADMIN ASSISTANT

Denise Warren

### CITY CLERK

Cindy Foster Owens

### COMMUNITY DEVELOPMENT

Deana Swetlik

### BUILDING INSPECTION

### PLANNING & ZONING

### CODE ENFORCEMENT

### ECONOMIC DEVELOPMENT

Ryan Stevens

### ENGINEERING

Adam Lancaster

### ENGINEERING

### STORMWATER

### FINANCE

Harry Patel

### ACCOUNTING & BUDGETING

### UTILITY BILLING

### INFORMATION TECHNOLOGY

### HUMAN RESOURCES

Stephanie Masse

### LIBRARY

Suzanne Lasha

### MUSEUM

Lisa Studts

### PARKS AND FACILITIES

Rex Brady

### PARKS

### OPEN SPACE

### CEMETERY

### POLICE

Daric Harvey

### OPERATIONS

### SUPPORT SERVICES

### PUBLIC INFORMATION

Kristy Gotham

### STREETS, FLEETS, BUILDINGS

George Stepleton

### STREETS

### FLEET

### BUILDING

### WATER

Bob Hartzman

### TREATMENT

### DISTRIBUTION



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Canon City  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO



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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cañon City as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Cañon City, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cañon City as of December 31, 2018, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

## Other Information

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

Greenwood Village, Colorado  
July 8, 2019

*Hilke & Company, PC*



# Management's Discussion and Analysis (Unaudited)

Our discussion and analysis of the City of Cañon City's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found in the introductory section of this report.

## FINANCIAL HIGHLIGHTS

### Fund highlights:

- ◆ The fund balance for the General Fund increased by \$617,752 compared to a budgeted decrease of \$1,611,257 primarily due to a combination of significant savings on operating expenses, deferred capital projects, greater than anticipated sales and use tax revenues, and proceeds from the sale of a City property not originally anticipated in the budget.
- ◆ Sales and use tax revenue, the City's largest single source of General Fund revenue, increased by \$ 337,991 from 2017 due to the positive growth in the local economy largely resulting from increases in taxable sales and increased activity in new construction within the community.
- ◆ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,379,467 (or 30.0 percent of total General Fund operating expenditures plus debt service). The City's other governmental funds reported a combined ending fund balance of \$2,379,541, an increase of \$2,135,800 in comparison with the prior year primarily as a result of a lower level of completed projects compared to the revenue received in the Street Improvement Fund. Within the total fund balance for the governmental funds, \$544,106 is restricted by specific legal requirements, \$716,575 has been committed for contractual obligations, \$5,153,953 is classified as assigned, and \$3,112,292 is non-spendable for inventory, prepaid items, interfund receivable and the Cemetery Perpetual Care Fund. The total unassigned fund balance for governmental funds of \$1,784,174 includes a negative fund balance of (\$1,595,293) in the Street Improvement Fund. This negative fund balance in the Street Improvement Fund is because of an outstanding interfund loan balance of \$4,444,444 that was received for street improvement projects. The interfund loan will be repaid from future sales and use tax revenues, which will eliminate the negative fund balance.
- ◆ Reflected in the General Fund Budgetary Comparison Schedule, revenues that were primarily from property taxes, sales and use taxes, franchise taxes, Royal Gorge Bridge lease revenues, and general intergovernmental revenues were used to support the following major activities:
  - a. \$3,498,408 was applied to General Government purposes – City Council, City Clerk, Elections, Municipal Court, Administration, Human Resources, Computer Resources, Buildings, Finance, City Attorney, Non-Departmental, Economic Development and Community Development.
  - b. \$4,371,275 for Public Safety – Victim Assistance, Administration, Special Response Team, Patrol, Investigation, Parking & Code Enforcement, School Resource Officer, and Community Programs.
  - c. \$2,303,806 for Public Works – Equipment Repair, Street Maintenance, Engineering, and Street Projects.
  - d. \$854,131 for Culture and Recreation – Cañon City Public Library and the Royal Gorge Museum and History Center.
  - e. \$1,217,143 for Capital Outlay.
  - f. \$237,265 for Debt Service.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the financial statements. The report also contains other supplementary information.

## 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. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Accrual of the current year's revenues and expenses is taken into account regardless of when cash is received or paid.

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. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, water lines, etc.) to assess the overall health of the City.

The Statement of Activities divides the City into two kinds of activities:

- ◆ Governmental activities: Most of the City's basic services are reported here, including police, street maintenance, parks and recreation and general administration. Sales taxes, charges for services and Royal Gorge Bridge lease revenues finance most of these activities.
- ◆ Business type activities: The City charges a fee to customers to recover the full cost of certain services it provides. The City's water facilities and Stormwater Utility Fund are reported here.

The government-wide financial statements can be found immediately following the Management Discussion & Analysis.

## Reporting on the City's Most Significant Funds:

Fund Financial Statements: The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. However, the City Council establishes many other funds to help it control and manage money for a particular purpose. The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

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 that are available for spending. These 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 fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation beside the fund financial statements.

The City of Cañon City maintained eleven individual governmental funds for the year ended December 31, 2018. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Improvement Fund and the Quality of Life Fund which are the major governmental funds. The Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds includes data from the other eight funds. The Combining Balance Sheet – Non-major Governmental Fund's reports data combined into a single aggregated presentation for the remaining eight Non-major Governmental Funds as of December 31, 2018.

Proprietary funds: When the City charges for the full cost of the services it provides, whether to customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) is the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements immediately follow the basic financial statements in this report.

**RSI and Supplementary Information** - The combining and individual fund statements and schedules are presented immediately following Notes to the Financial Statements.

## GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The City's net position at fiscal year-end is \$111,294,226. This is a \$7,671,664 increase over last year's net position of \$103,622,562. Net position may serve as a useful indicator of the City's financial position.

The largest portion of Cañon City's net position, \$89,470,604 (80.4 percent), reflects its net investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. It should be noted that the resources needed to repay capital asset-related debt must be provided from other sources, since capital assets themselves cannot be used to liquidate liabilities.

### CITY OF CAÑON CITY'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	Current	Prior	Current	Prior	Current	Prior
	Year	Year	Year	Year	Year	Year
<b>Statement of Net Position</b>						
Current and Other Assets	\$ 14,970,517	\$ 12,310,536	\$ 8,866,039	\$ 8,083,078	\$ 23,836,556	\$ 20,393,614
Capital Assets	63,377,191	59,032,290	37,257,413	38,413,118	100,634,604	97,445,408
Net Pension Assets	468,459	55,697	-	-	468,459	55,697
<b>Total Assets</b>	<b>78,816,167</b>	<b>71,398,523</b>	<b>46,123,452</b>	<b>46,496,196</b>	<b>124,939,619</b>	<b>117,894,719</b>
Deferred Outflows of Resources	611,369	639,145	506,001	542,144	1,117,370	1,181,289
Other Liabilities	2,089,294	1,924,400	415,778	456,483	2,505,072	2,380,883
Long-Term Liabilities	1,507,810	1,800,885	10,175,513	10,748,871	11,683,323	12,549,756
Net Pension Liability	-	95,659	-	-	-	95,659
<b>Total Liabilities</b>	<b>3,597,104</b>	<b>3,820,944</b>	<b>10,591,291</b>	<b>11,205,354</b>	<b>14,188,395</b>	<b>15,026,298</b>
Deferred Inflow of Resources	574,368	427,148	-	-	574,368	427,148
<b>Net Position</b>						
Net Investment in Capital Assets	62,253,191	57,696,290	27,217,413	27,798,118	89,470,604	85,494,408
Restricted	2,647,080	2,554,859	-	-	2,647,080	2,554,859
Unrestricted	10,355,793	7,538,427	8,820,749	8,034,868	19,176,542	15,573,295
<b>Total Net Position</b>	<b>\$ 75,256,064</b>	<b>\$ 67,789,576</b>	<b>\$ 36,038,162</b>	<b>\$ 35,832,986</b>	<b>\$ 111,294,226</b>	<b>\$ 103,622,562</b>

Only \$2,647,080 of the City's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$19,176,542 may be used to meet the City's ongoing obligation to citizens and creditors.

As of December 31, 2018, the City is able to report positive balances in all three categories of net position, both for the City as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Analysis of City's Operations:** Overall the City had an increase in net position of \$7,671,664.

**Governmental Activities:** Total net position increased by \$7,466,488. The key elements of this increase are due to the following:

- Total revenues from governmental activities increased from the previous year by \$4,163,634 (23.8 percent). This significant increase is due to capital grants from contributed capital, additional sales and use tax revenues, Royal Gorge Bridge lease revenues, and investment earnings.
- Program revenue had a net increase of \$3,317,646 (or 116.2 percent). Charges for services decreased by \$71,391 (or 6.1 percent). Operating Grants & Contributions increased by \$183,015 (or 22.9 percent) mainly due to a one-time increase in highway users revenues from a state legislative change. Capital Grants and Contributions increased by \$3,206,022 (or 358.7 percent) primarily due to an increased level of contributions of capital assets from the Royal Gorge Bridge Co. and a police department facility. Additionally, the City had an increase in grant funded capital projects.
- Sales and use tax revenues increased by \$527,769 (or 5.1 percent) mainly due to an improved building environment with increased building sales and construction as well as increases in tourism revenue.
- Franchise tax revenues increased by \$9,123 (or 1.2 percent).
- Royal Gorge Bridge lease revenues increased by \$181,708 (or 7.2 percent). Paid admissions were relatively flat in comparison to the prior year, however, the per capita revenue increased by 5.2 percent.
- Investment earnings increased by \$136,012 (or 74.3 percent) due to the average yield on investment being 1.9 percent compared to 1.0 percent in the prior year.
- General Government expenses increased by \$438,020 (or 13.3 percent) due to increases in operating supplies, equipment, computers, software licenses, contract services in the City Clerk's office, as well as increased staffing costs in Community Development, Economic Development and Administration.
- Public Safety expenses decreased by \$147,695 (or 3.3 percent) primarily due to vacancies and reduced operating costs.
- Public Works expenses decreased by \$329,785 (or 10.7 percent) primarily due to increased street maintenance materials cost as well as reduced vacancy rates in the Engineering and Street Maintenance departments.
- Culture and Recreation expenses increased by \$325,626 (or 10.1 percent) primarily due to increased depreciation expense from additions of capital assets, an increase in the costs allocated to functions from the Self Insurance Fund, and grant funded contractual services costs in the year.
- The budgeting strategy for 2018 was to maintain the unassigned reserve at a minimum of 20.5 percent and a maximum of 30.0 percent of expenditures.

The governmental activities long term liabilities decreased by \$293,075 due to principal repayments and a decrease in the City's compensated absence liability. Other governmental activities liabilities increased by \$164,894 primarily due to an increase in accounts payable. A net pension asset was also reported in the governmental activities in the amount of \$468,459.

The following table provides a summary of the City's operations for the year ended December 31, 2018 with comparative totals for the year ended December 31, 2017.

## CHANGES IN NET POSITION RESULTING FROM REVENUES AND EXPENSES

	Governmental Activities		Business-Type Activities		Total	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
<b>Statement of Activities</b>						
<b>Program Revenues (Major Source)</b>						
Charges for Services	\$ 1,090,406	\$ 1,161,797	\$ 7,539,238	\$ 6,763,015	\$ 8,629,644	\$ 7,924,812
Operating Grants & Contributions	983,724	800,709	147,500	-	1,131,224	800,709
Capital Grants & Contributions	4,099,710	893,688	307,699	248,000	4,407,409	1,141,688
<b>General Revenues:</b>						
Property Taxes	452,830	451,420	-	-	452,830	451,420
Sales and Use Taxes	10,838,128	10,310,359	-	-	10,838,128	10,310,359
Other Taxes	28,780	24,825	-	-	28,780	24,825
Franchise Taxes	786,863	777,740	-	-	786,863	777,740
Grants & Contributions not Restricted to Specific Programs						
	290,790	273,019	-	-	290,790	273,019
Royal Gorge Bridge Revenues	2,714,331	2,532,623	-	-	2,714,331	2,532,623
Investment Earnings	319,102	183,090	149,220	88,736	468,322	271,826
Other Revenues	64,340	96,100	-	-	64,340	96,100
<b>Total Revenues</b>	<b>21,669,004</b>	<b>17,505,370</b>	<b>8,143,657</b>	<b>7,099,751</b>	<b>29,812,661</b>	<b>24,605,121</b>
<b>Program Expenses:</b>						
General Government	3,743,706	3,305,686	-	-	3,743,706	3,305,686
Public Safety	4,312,632	4,460,327	-	-	4,312,632	4,460,327
Public Works	3,399,296	3,069,511	-	-	3,399,296	3,069,511
Culture & Recreation	3,555,067	3,229,441	-	-	3,555,067	3,229,441
Interest on Long-Term Debt	144,815	91,028	-	-	144,815	91,028
Water	-	-	6,330,927	5,819,458	6,330,927	5,819,458
Stormwater Utility	-	-	654,554	662,717	654,554	662,717
<b>Total Expenses</b>	<b>15,155,516</b>	<b>14,155,993</b>	<b>6,985,481</b>	<b>6,482,175</b>	<b>22,140,997</b>	<b>20,638,168</b>
<b>Increase in Net Position Before Transfers</b>						
Transfers	6,513,488	3,349,377	1,158,176	617,576	7,671,664	3,966,953
	953,000	801,600	(953,000)	(801,600)	-	-
<b>Change in Net Position</b>	<b>7,466,488</b>	<b>4,150,977</b>	<b>205,176</b>	<b>(184,024)</b>	<b>7,671,664</b>	<b>3,966,953</b>
Net Position, Beginning of Year	67,789,576	63,638,599	35,832,986	36,017,010	103,622,562	99,655,609
<b>Net Position, End of Year</b>	<b>\$ 75,256,064</b>	<b>\$ 67,789,576</b>	<b>\$ 36,038,162</b>	<b>\$ 35,832,986</b>	<b>\$ 111,294,226</b>	<b>\$ 103,622,562</b>

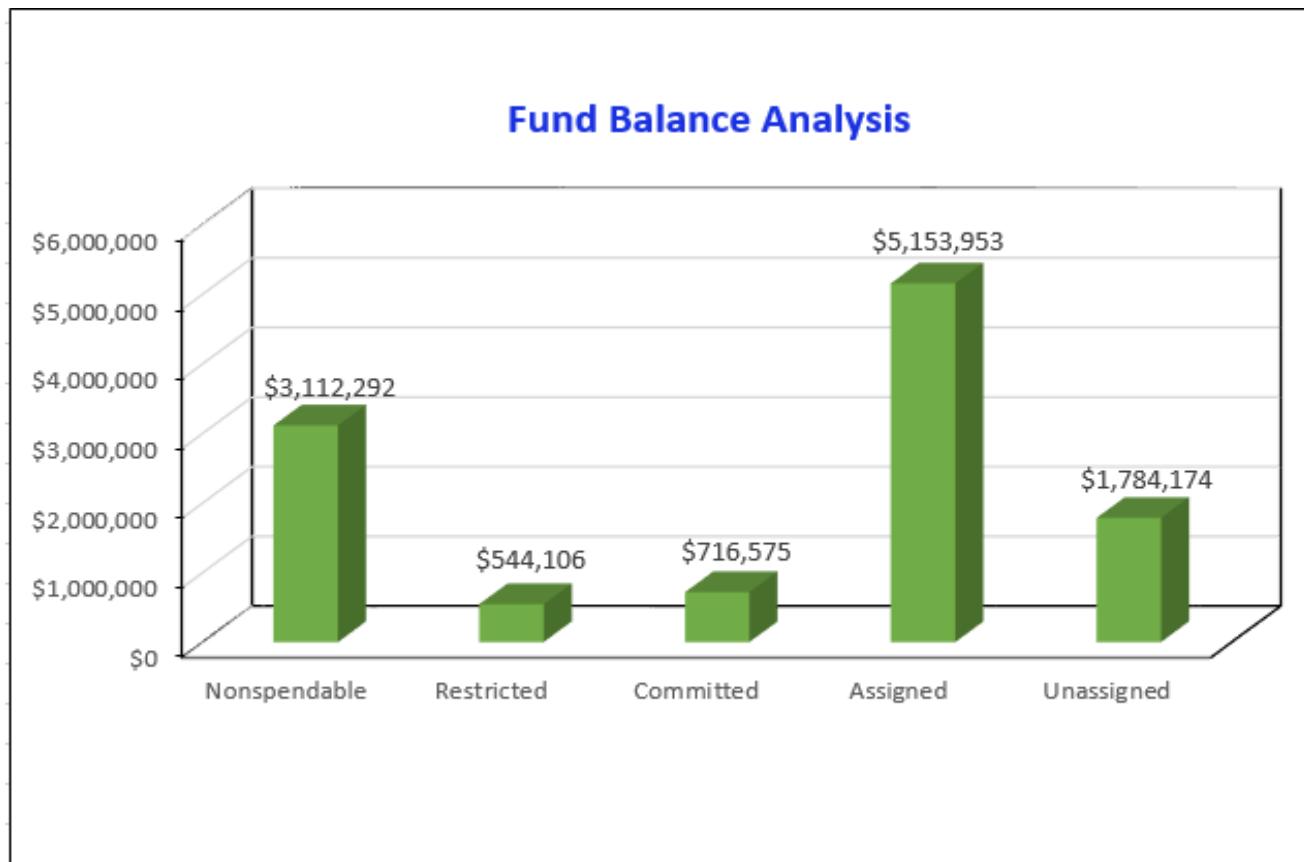
**Business-type Activities:** Total net position from business-type activities increased from the previous year by \$205,176 (or 0.6 percent). The key elements of this increase are due to the following:

- The City Stormwater Utility Fund had a total decrease in net position of (\$145,492) primarily from a mid-year increase in the transfer to the General Fund for reimbursement of street related and central services costs greater than the originally budgeted transfer due to the completion of the updated cost allocation plan.
- The Water Fund had a total increase in net position of \$350,668 primarily from greater than estimated tap fee revenues due to additional construction within the City as well as a 9.0 percent increase on the water operating revenues.

## Financial Analysis of City of Cañon City's Funds

As noted previously, the City of Cañon City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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



At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,311,100 an increase of \$2,753,552 in comparison with the prior year. Within this total \$544,106 (4.8 percent) is restricted by specific legal requirements, and \$716,575 (6.3 percent) has been committed and \$5,153,953 (45.6 percent) is assigned to specific types of expenditures, and \$3,112,292 (27.5 percent) is non-spendable for inventory, cemetery, and prepaid items. The unassigned fund balance represents a positive \$1,784,174 (15.8 percent).

- ◆ **The General Fund** is the City's primary operating fund. At the end of the current fiscal year the unassigned fund balance was \$3,379,467 while the total fund balance equaled \$8,931,559. In the current fiscal year, the fund balance of the General Fund increased by \$617,752. This is primarily due to an increased amount of sales and use tax, investment earnings and deferred capital projects.
- ◆ **Quality of Life Fund:** The City's quality of life fund is used to account for various major grant funded capital projects. The City allocates a portion of the Royal Gorge lease revenues to this fund to provide the local match requirements of the various grants. For the 2018 fiscal year, of the \$2,076,456 total project expenditures, \$1,546,922 (or 74.5 percent) was provided by multiple grant sources. The main projects were as follows: The river corridor improvement project was partially funded by a Great Outdoors Colorado (GOCO) grant, with additional

funding from Fremont County, Whitewater Kayak and Recreation Park (WKRP), Fremont Adventure Recreation (FAR). The 4<sup>th</sup> Street bridge rehabilitation project was primarily funded by the Colorado Department of Transportation (CDOT) grant. A federal grant provided funding for paving of existing gravel streets. An additional CDOT grant provided funding for the mobile data terminal project at the police department.

- ◆ **The Street Improvement Fund** was established to account for the financial activity authorized by the passage of Cañon City Referendum #2A on November 8, 2016. All sales and use tax revenue generated from the approved one percent sales and use tax rate increase (from 2.0% to 3.0%) are deposited into this Fund. Additionally, all investment earnings resulting from the available cash balances in this Fund are allocated to the Street Improvement Fund. The resources accumulated in this fund are used exclusively to fund the costs of street related infrastructure improvements and repairs. The projects that are planned for completion will be prioritized in accordance with the City's pavement management plan criteria.

In 2017 City Council approved an interfund loan in the amount of \$5M (General Fund \$1M, Cemetery Fund \$2M, Water Fund \$1.25M, & Raw Water Fund \$0.75M) to be repaid over a 10 year period at an interest rate of the average yield of the City's pooled investments plus 0.5%. This financing methodology is expected to result in significant savings in issuance costs and interest expense over the 10-year repayment period.

- ◆ **Proprietary Funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund at the end of the year amounted to \$8,001,007.

The City implemented a new proprietary fund in 2005 to account for the financial activity of the Stormwater Utility. The unrestricted net position in the Stormwater Utility Fund at the end of 2018 was \$313,741.

The net position of the Internal Service Fund, which accounts for the City's self-insurance program, decreased by \$94,395 (8.1 percent). This decrease was primarily the result of a greater number of large claims in 2018.

## General Fund Budgetary Highlights

The original budget in the General Fund was \$13,514,417. The total General Fund budget was increased by \$30,807 during the year. The components of the General Fund budget increase were:

- ◆ Eligible police equipment and training costs funded by State POST and BATTLE grants \$30,807

The General Fund total revenues were \$448,724 higher than the revenue budget. Several of the revenue categories had significant variances from budget. Taxes and assessments revenues were \$232,359 higher than budgeted which was only a 2.7% variance. Licenses and permits were \$278,535 higher than budgeted primarily due to a 22.0% increase in new construction valuation from the prior year. A large portion of the building permit increase is attributable to an elevated amount of storm damage that occurred during the year. Intergovernmental revenues were \$169,006 higher than budgeted due to the City receiving an additional \$162,000 above the standard Highway Users Tax Fund (HUTF) formula as a result of a one-time funding increase approved by SB 18-001. Charges for services were \$28,902 higher because of Code Enforcement related revenues which were greater than budget. Fines and Forfeitures revenues were \$109,757 lower than budgeted due to a decrease in traffic tickets. The General Fund portion of the Royal Gorge Bridge revenues was \$287,870 lower than budgeted because a greater than budgeted portion of this revenue source was allocated to both the Park Improvement and Quality of Life Funds. Interest earnings were \$81,980 greater than budgeted due to a significant increase to the average yield on the City's investments. Rent revenues were \$60,538 higher than budgeted, and contributions and donations were \$32,145 greater than budgeted. Other revenues were \$37,114 lower than budgeted due to lower than expected refunds.

The General Fund total expenditures were \$1,063,196 under budget. General Government expenditures were \$106,233 under budget due to a combination of vacancy savings and reduced operating costs. Public Safety spending was \$14,364 lower than budgeted expenditures due to vacancy savings. Public Works operating costs were \$149,962 lower than budgeted due to vacancy savings and lower than anticipated utilities costs. Culture and Recreation spending was \$16,384 under budget primarily due to reduced operating costs. Capital projects cost were \$776,253 lower than budgeted mainly due to capital projects deferred into the subsequent year.

## Capital Assets and Long Term Debt

**Capital Assets:** Cañon City's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounted to \$100,634,604 net of depreciation. This investment in capital assets includes land, water rights, buildings, improvements, machinery and equipment and infrastructure associated with water system, stormwater system and street system infrastructure.

### Capital Assets at Year-End (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,986,777	\$ 1,883,027	\$ 350,151	\$ 340,672	\$ 2,336,928	\$ 2,223,699
Ditch Stock	7,414	7,414	1,053,538	1,046,663	1,060,952	1,054,077
Construction in Progress	3,719,196	596,769	45,226	45,226	3,764,422	641,995
Infrastructure	25,439,316	23,430,269	-	-	25,439,316	23,430,269
Buildings	16,421,647	17,037,290	4,421,324	4,621,276	20,842,971	21,658,566
Improvements	14,027,053	14,567,897	-	-	14,027,053	14,567,897
Water and Stormwater Systems	-	-	30,936,219	31,864,519	30,936,219	31,864,519
Machinery and Equipment	1,775,788	1,509,624	450,955	494,762	2,226,743	2,004,386
<b>Total</b>	<b>\$ 63,377,191</b>	<b>\$ 59,032,290</b>	<b>\$ 37,257,413</b>	<b>\$ 38,413,118</b>	<b>\$ 100,634,604</b>	<b>\$ 97,445,408</b>

Major capital asset acquisitions and improvements during this fiscal year included the following:

### Governmental Activities

Building donated by Greenlee-Bruffy for Police investigations and training  
 Land purchased at 110 S 1<sup>st</sup> Street for future development  
 New City Hall storage server  
 Centennial Park pavilion donated by Cañon City Rotary Club  
 New sod and landscaping at Centennial Park  
 Electric transformer installed at Centennial Park  
 Light poles installed at Centennial Park  
 New fence installed along north border Royal Gorge Park  
 Chevrolet pickup truck for Parks Department  
 Police Department license plate reader  
 Thirty-two Police Department mobile data terminals  
 Netmotion mobility software for mobile data terminals  
 Two Ford Fusion police staff vehicles  
 Four Ford Interceptor police patrol vehicles  
 Alley rebuild Main St: south 300 block and north 500 block  
 Pave Fourmile Lane: 301 to 661  
 Rebuild 4<sup>th</sup> Street viaduct  
 Rebuild railroad crossing at South 3<sup>rd</sup> Street  
 Install Cartegraph engineering software upgrade  
 Teachsmart library touch screen software for reading programs  
 Granite sign for Royal Gorge History Center and Museum

## Street Improvement Fund

Rebuild Field Avenue from Central Avenue to High Street  
Rebuild Park Avenue from 9<sup>th</sup> Street to 12<sup>th</sup> Street

### Business-type Activities

#### Water Fund

Dell Poweredge computer for Water Treatment Plant SCADA system  
Ditch Witch vacuum excavator and trailer for Water Distribution  
Chevrolet Silverado pickup truck for Water Distribution  
Installed 8" water main on Park Avenue from 9<sup>th</sup> Street to 12<sup>th</sup> Street  
Installed 12" water main on Pear Street from Del Rey Avenue to Greydene Avenue

#### Stormwater Fund

Land donated by Dawson Ranch LLC for stormwater drainage

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

**Debt Administration:** At the end of the current fiscal year, the City had total outstanding debt of \$11,683,323 (certificates of participation, capital lease, public improvement bonds and compensated absences). The City's total debt was decreased by \$866,433 during the current fiscal year.

The key elements of this decrease are due to the following:

- Repayments of Public Improvement Bonds reduced the outstanding balance by \$2,000
- Balance of City Hall Capital Lease decreased by \$210,000
- Balance of the 2017 certificates of participation were decreased by \$575,000
- Compensated absences decreased by \$79,433

Additional information on the City's long-term debt can be found in Note 5 to the financial statements.

### *Outstanding Debt at Year-End*

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Public Improvement Bonds	\$ 4,000	\$ 6,000	\$ -	\$ -	\$ 4,000	\$ 6,000
Compensated Absences	383,810	464,885	135,513	133,871	519,323	598,756
Capital Lease	1,120,000	1,330,000	-	-	1,120,000	1,330,000
Certificates of Participation	-	-	10,040,000	10,615,000	10,040,000	10,615,000
Total	\$ 1,507,810	\$ 1,800,885	\$ 10,175,513	\$ 10,748,871	\$ 11,683,323	\$ 12,549,756

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City's 2019 budget reflects continuation of our plan to keep the City on solid ground for providing services to our citizens during 2019 and for years to come. We recognize the fact that we cannot control the economy as a whole. We are maintaining adequate emergency reserve, and maintaining a very strong unassigned fund balance in the General Fund. The City's main priority includes keeping the community safe, undertaking economic development initiatives, maintaining infrastructure, and keeping a conservative approach in developing a fiscal year budget.

With this being said, the 2019 budget lays out the City's vision for achieving long term goals and more focus on action beyond 2018 that promotes economic development and tourism within Fremont County. Since re-opening in 2014 after the 2013 fire, the Royal Gorge Bridge and Park continues to increase their annual attendance in each successive year.

The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget. One of those factors is the economy. Inflation has been higher locally due, in part, to the residential housing market and tourism.

Additionally, the City's primary sources of revenue are expected to increase in 2019 due to the expected continued success of the Royal Gorge Bridge and Park due to continued development of new attractions such as the via ferrata.

The City benefits from strong fund balances and conservative financial practices.

The City's adherence to four basic principles is incorporated into the 2019 budget:

1. To maintain and improve the current level of services in all departments;
2. To remain competitive in the market place in order to maintain a competent efficient workforce;
3. To provide for capital equipment purchases;
4. To provide for capital projects.

The City maintains adequate reserves to provide funding for emergencies.

## **REQUEST FOR INFORMATION**

The City's financial statements are designed to provide users, (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate Cañon City's accountability. Questions concerning any of the information presented in this report or requesting additional information should be sent to the City's Finance Director's attention at the following address:

**128 Main Street, P.O. Box 1460  
CAÑON CITY, CO 81215-1460**

## **BASIC FINANCIAL STATEMENTS**



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# CITY OF CAÑON CITY, COLORADO

## Statement of Net Position

**December 31, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Investments	\$ 13,630,394	\$ 6,015,808	\$ 19,646,202
Receivables			
Accounts	1,189	757,241	758,430
Taxes	1,506,419	-	1,506,419
Special Assessments	11,847	-	11,847
Interest	15	-	15
Other	1,478,001	8,301	1,486,302
Inventory	112,601	303,758	416,359
Prepaid Expenses	7,828	3,154	10,982
Internal Balances	(1,777,777)	1,777,777	-
Capital Assets			
Not Being Depreciated	5,713,387	1,448,915	7,162,302
Being Depreciated, Net of Accumulated Depreciation	57,663,804	35,808,498	93,472,302
Net Pension Asset	468,459	-	468,459
 Total Assets	 78,816,167	 46,123,452	 124,939,619
<b>Deferred Outflows of Resources</b>			
Pensions, Net of Accumulated Amortization	611,369	-	611,369
Loss on Debt Refunding, Net of Accumulated Amortization	-	506,001	506,001
 Total Deferred Outflows of Resources	 611,369	 506,001	 1,117,370
<b>Liabilities</b>			
Accounts Payable	1,450,942	238,175	1,689,117
Retainage Payable	116,280	10,788	127,068
Accrued Interest Payable	1,892	23,252	25,144
Accrued Liabilities	229,954	69,802	299,756
Deposits	56,577	32,950	89,527
Insurance Claims	178,400	-	178,400
Unearned Revenues	55,249	40,811	96,060
Noncurrent Liabilities			
Due Within One Year	598,810	727,143	1,325,953
Due in More Than One Year	909,000	9,448,370	10,357,370
Net Pension Liability	-	-	-
 Total Liabilities	 3,597,104	 10,591,291	 14,188,395
<b>Deferred Inflows of Resources</b>			
Property Taxes	403,895	-	403,895
Pensions, Net of Accumulated Amortization	170,473	-	170,473
 Total Deferred Inflows of Resources	 574,368	 -	 574,368
<b>Net Position</b>			
Net Investment in Capital Assets	62,253,191	27,723,414	89,976,605
Restricted for			
Cemetery Perpetual Care - Nonexpendable	2,102,974	-	2,102,974
Emergencies	318,440	-	318,440
Public Safety	22,766	-	22,766
Culture and Recreation	191,337	-	191,337
Debt Service	11,563	-	11,563
Unrestricted	10,355,793	8,314,748	18,670,541
 Total Net Position	 \$ 75,256,064	 \$ 36,038,162	 \$ 111,294,226

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

# CITY OF CAÑON CITY, COLORADO

## Statement of Activities For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 3,743,706	\$ 422,448	\$ 1,000	\$ -
Public Safety	4,312,632	272,064	26,094	819,871
Public Works	3,399,296	121,184	858,161	857,119
Culture and Recreation	3,555,067	274,710	98,469	2,422,720
Interest on Long-term Debt	144,815	-	-	-
Total Governmental Activities	<u>15,155,516</u>	<u>1,090,406</u>	<u>983,724</u>	<u>4,099,710</u>
<b>Business-Type Activities</b>				
Water	6,330,927	6,452,663	-	298,949
Stormwater Utility	<u>654,554</u>	<u>1,086,575</u>	<u>147,500</u>	<u>8,750</u>
Total Business-Type Activities	<u>6,985,481</u>	<u>7,539,238</u>	<u>147,500</u>	<u>307,699</u>
Total Primary Government	<u>\$ 22,140,997</u>	<u>\$ 8,629,644</u>	<u>\$ 1,131,224</u>	<u>\$ 4,407,409</u>

### General Revenues

Property Taxes  
Sales and Use Taxes  
Other Taxes  
Franchise Taxes  
Grants and Contributions not Restricted to Specific Programs  
Royal Gorge Bridge Revenues  
Investment Earnings  
Other Revenues

### Transfers

Total General Revenues and Transfers

Change in Net Position

### Net Position, Beginning of Year

### Net Position, End of Year

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Net Revenues (Expenses) and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,320,258)	\$ -	\$ (3,320,258)
(3,194,603)	-	(3,194,603)
(1,562,832)	-	(1,562,832)
(759,168)	-	(759,168)
(144,815)	-	(144,815)
<hr/>	<hr/>	<hr/>
(8,981,676)	-	(8,981,676)
<hr/>	<hr/>	<hr/>
-	420,685	420,685
-	588,271	588,271
<hr/>	<hr/>	<hr/>
-	1,008,956	1,008,956
<hr/>	<hr/>	<hr/>
(8,981,676)	1,008,956	(7,972,720)
<hr/>	<hr/>	<hr/>
452,830	-	452,830
10,838,128	-	10,838,128
28,780	-	28,780
786,863	-	786,863
<hr/>	<hr/>	<hr/>
290,790	-	290,790
2,714,331	-	2,714,331
319,102	149,220	468,322
64,340	-	64,340
953,000	(953,000)	-
<hr/>	<hr/>	<hr/>
16,448,164	(803,780)	15,644,384
<hr/>	<hr/>	<hr/>
7,466,488	205,176	7,671,664
<hr/>	<hr/>	<hr/>
67,789,576	35,832,986	103,622,562
<hr/>	<hr/>	<hr/>
\$ 75,256,064	\$ 36,038,162	\$ 111,294,226

# CITY OF CAÑON CITY, COLORADO

## Balance Sheet

### Governmental Funds

December 31, 2018

	General	Quality of Life	Street Improvement	Other Governmental Funds	Total
<b>Assets</b>					
Cash and Investments	\$ 7,050,562	\$ 954,571	\$ 3,064,555	\$ 1,233,374	\$ 12,303,062
Receivables					-
Taxes	1,176,839	-	329,580	-	1,506,419
Special Assessments	-	-	-	11,847	11,847
Interest	15	-	-	-	15
Other	883,413	299,998	-	294,590	1,478,001
Interfund Receivables	888,889	-	-	1,777,778	2,666,667
Inventory	102,848	-	-	9,753	112,601
Prepaid Items	7,828	-	-	-	7,828
<b>Total Assets</b>	<b>\$ 10,110,394</b>	<b>\$ 1,254,569</b>	<b>\$ 3,394,135</b>	<b>\$ 3,327,342</b>	<b>\$ 18,086,440</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 480,831	\$ 395,145	\$ 469,094	\$ 24,176	\$ 1,369,246
Retainage Payable	6,073	34,317	75,890	-	116,280
Accrued Liabilities	213,853	-	-	16,101	229,954
Deposits	55,177	-	-	1,400	56,577
Unearned Revenues	17,078	33,901	-	4,270	55,249
Interfund Payables	-	-	4,444,444	-	4,444,444
<b>Total Liabilities</b>	<b>773,012</b>	<b>463,363</b>	<b>4,989,428</b>	<b>45,947</b>	<b>6,271,750</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes and Assessments	403,895	-	-	11,847	415,742
Property Liens	1,928	-	-	-	1,928
Grants	-	85,920	-	-	85,920
<b>Total Deferred Inflows of Resources</b>	<b>405,823</b>	<b>85,920</b>	<b>-</b>	<b>11,847</b>	<b>503,590</b>
<b>Fund Balances</b>					
Nonspendable					
Inventory	102,848	-	-	9,753	112,601
Prepaid Items	7,828	-	-	-	7,828
Cemetery Perpetual Care	-	-	-	2,102,974	2,102,974
Interfund Receivable	888,889	-	-	-	888,889
Restricted					
General Government	318,440	-	-	-	318,440
Public Safety	13,371	-	-	9,395	22,766
Culture and Recreation	-	-	-	191,337	191,337
Debt Service	-	-	-	11,563	11,563
Committed					
General Government	116,575	-	-	-	116,575
Culture and Recreation	600,000	-	-	-	600,000
Assigned					
General Government	3,219,830	-	-	-	3,219,830
Public Safety	-	-	-	-	-
Public Works	124,311	641,034	-	-	765,345
Culture and Recreation	-	64,252	-	611,224	675,476
Marketing/Economic Development	160,000	-	-	-	160,000
Debt Service	-	-	-	333,302	333,302
Unassigned	3,379,467	-	(1,595,293)	-	1,784,174
<b>Total Fund Balances</b>	<b>8,931,559</b>	<b>705,286</b>	<b>(1,595,293)</b>	<b>3,269,548</b>	<b>11,311,100</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 10,110,394</b>	<b>\$ 1,254,569</b>	<b>\$ 3,394,135</b>	<b>\$ 3,327,342</b>	<b>\$ 18,086,440</b>

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

# **CITY OF CAÑON CITY, COLORADO**

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## **Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position December 31, 2018**

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Total Fund Balances, Governmental Funds	11,311,100
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	63,377,191
Net pension asset \$468,459, pension-related deferred outflows of resources \$611,369 and pension-related deferred inflows of resources (\$170,473) are not current resources and, therefore, are not reported in the governmental funds.	909,355
Noncurrent assets are not available to pay current expenditures and, therefore, are deferred in governmental funds. This amount represents special assessments, property liens and grants not available as current financial resources.	99,695
An internal service fund is used by management to charge the costs of employee medical, dental and vision insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	1,068,425
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.	(1,507,810)
Accrued interest payable on debt is not due and payable in the current period and, therefore is not reported in the governmental funds.	(1,892)
<b>Total Net Position of Governmental Activities</b>	<b><u>75,256,064</u></b>

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

# CITY OF CAÑON CITY, COLORADO

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2018

	General	Quality of Life	Street Improvement	Other Governmental Funds	Total
<b>Revenues</b>					
Taxes and Assessments	\$ 8,485,749	\$ -	\$ 3,620,852	\$ 4,862	\$ 12,111,463
Licenses and Permits	476,835	-	-	-	476,835
Intergovernmental	1,209,033	1,546,922	-	152,406	2,908,361
Charges for Services	253,152	-	-	86,916	340,068
Fines and Forfeitures	101,843	-	-	-	101,843
Royal Gorge Bridge	742,130	543,200	-	1,429,000	2,714,330
Interest	149,680	12,298	62,610	68,139	292,727
Rent	170,238	-	-	27,789	198,027
Contributions and Donations	51,645	-	-	11,721	63,366
Other	60,786	-	-	3,556	64,342
<b>Total Revenues</b>	<b>11,701,091</b>	<b>2,102,420</b>	<b>3,683,462</b>	<b>1,784,389</b>	<b>19,271,362</b>
<b>Expenditures</b>					
Current					
General Government	3,498,408	-	-	67	3,498,475
Public Safety	4,371,275	90,666	-	748	4,462,689
Public Works	2,303,806	-	5,952	-	2,309,758
Culture and Recreation	854,131	-	-	1,244,444	2,098,575
Capital Outlay					
Streets	267,257	1,078,647	1,684,671	-	3,030,575
Other	949,886	907,143	-	287,228	2,144,257
Debt Service					
Principal	210,000	-	-	2,000	212,000
Interest	27,265	-	117,485	420	145,170
<b>Total Expenditures</b>	<b>12,482,028</b>	<b>2,076,456</b>	<b>1,808,108</b>	<b>1,534,907</b>	<b>17,901,499</b>
Excess of Revenues Over (Under) Expenditures	(780,937)	25,964	1,875,354	249,482	1,369,863
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	430,689	-	-	-	430,689
Transfers In	1,108,000	884	-	18,992	1,127,876
Transfers Out	(140,000)	-	-	(34,876)	(174,876)
<b>Total Other Financing Sources (Uses)</b>	<b>1,398,689</b>	<b>884</b>	<b>-</b>	<b>(15,884)</b>	<b>1,383,689</b>
Net Change in Fund Balances	617,752	26,848	1,875,354	233,598	2,753,552
<b>Fund Balances, Beginning of Year</b>	<b>8,313,807</b>	<b>678,438</b>	<b>(3,470,647)</b>	<b>3,035,950</b>	<b>8,557,548</b>
<b>Fund Balances, End of Year</b>	<b>\$ 8,931,559</b>	<b>\$ 705,286</b>	<b>\$ (1,595,293)</b>	<b>\$ 3,269,548</b>	<b>\$ 11,311,100</b>

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

# **CITY OF CAÑON CITY, COLORADO**

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## **Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Year Ended December 31, 2018**

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

Net Change in Fund Balances, Governmental Funds \$ 2,753,552

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This includes depreciation expense (\$2,937,113), capital outlay \$5,174,832, asset disposals (\$3,828), proceeds from sale of asset (\$430,689), and capital contributions \$2,541,699. 4,344,901

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. This amount represents special assessments, property liens and grants. (170,431)

Payments of long-term debt principal are expenditures in governmental funds, but the payments reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This amount represents public improvement bond payments \$2,000 and capital lease principal payments \$210,000. 212,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the changes in accrued compensated absences \$81,075, accrued interest payable \$355, net pension asset \$468,459, pension-related deferred outflows of resources \$611,369, pension-related deferred inflows of resources (\$170,473) and an unreserved net position of (\$569,924). 420,861

An internal service fund is used by management to charge the costs of employee medical, dental and vision insurance to individual funds. The change in net position of the internal service fund is reported with governmental activities. (94,395)

Change in Net Position of Governmental Activities \$ 7,466,488

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

# CITY OF CAÑON CITY, COLORADO

## Statement of Net Position

### Proprietary Funds

#### December 31, 2018

	Business-Type Activities			Governmental Activities	
	Water Fund	Stormwater Utility Fund	Total		
				Internal Service Fund	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Investments	\$ 5,715,303	\$ 300,505	\$ 6,015,808	\$ 1,327,332	
Receivables					
Accounts	635,340	121,901	757,241	1,189	
Other	8,301	-	8,301	-	
Inventory	303,758	-	303,758	-	
Prepaid Expenses	3,154	-	3,154	-	
Total Current Assets	<u>6,665,856</u>	<u>422,406</u>	<u>7,088,262</u>	<u>1,328,521</u>	
<b>Noncurrent Assets</b>					
Interfund Receivables	1,777,777	-	1,777,777	-	
Capital Assets					
Not Being Depreciated	1,270,804	178,111	1,448,915	-	
Being Depreciated, Net of Accumulated Depreciation	<u>32,231,821</u>	<u>3,576,677</u>	<u>35,808,498</u>	<u>-</u>	
Total Noncurrent Assets	<u>35,280,402</u>	<u>3,754,788</u>	<u>39,035,190</u>	<u>-</u>	
Total Assets	<u>41,946,258</u>	<u>4,177,194</u>	<u>46,123,452</u>	<u>1,328,521</u>	
<b>Deferred Outflows of Resources</b>					
Loss on Debt Refunding, Net of Accumulated Amortization	<u>506,001</u>	<u>-</u>	<u>506,001</u>	<u>-</u>	
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	141,127	97,048	238,175	81,696	
Retainage Payable	10,788	-	10,788	-	
Accrued Interest Payable	23,252	-	23,252	-	
Accrued Liabilities	67,670	2,132	69,802	-	
Deposits	32,950	-	32,950	-	
Insurance Claims	-	-	-	178,400	
Unearned Revenues	35,410	5,401	40,811	-	
Accrued Compensated Absences, Current Portion	128,382	3,761	132,143	-	
Certificates of Participation Payable, Current Portion	<u>595,000</u>	<u>-</u>	<u>595,000</u>	<u>-</u>	
Total Current Liabilities	<u>1,034,579</u>	<u>108,342</u>	<u>1,142,921</u>	<u>260,096</u>	
<b>Noncurrent Liabilities</b>					
Accrued Compensated Absences	3,047	323	3,370	-	
Certificates of Participation Payable	<u>9,445,000</u>	<u>-</u>	<u>9,445,000</u>	<u>-</u>	
Total Noncurrent Liabilities	<u>9,448,047</u>	<u>323</u>	<u>9,448,370</u>	<u>-</u>	
Total Liabilities	<u>10,482,626</u>	<u>108,665</u>	<u>10,591,291</u>	<u>260,096</u>	
<b>Net Position</b>					
Net Investment in Capital Assets	23,968,626	3,754,788	27,723,414	-	
Unrestricted	<u>8,001,007</u>	<u>313,741</u>	<u>8,314,748</u>	<u>1,068,425</u>	
Total Net Position	<u>\$ 31,969,633</u>	<u>\$ 4,068,529</u>	<u>\$ 36,038,162</u>	<u>\$ 1,068,425</u>	

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

# **CITY OF CAÑON CITY, COLORADO**

## **Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2018**

	Business Activities			Governmental Activities
	Water Fund	Stormwater Utility Fund	Total	Internal Service Fund
<b>Operating Revenues</b>				
Charges for Services	\$ 6,336,947	\$ 1,036,188	\$ 7,373,135	\$ 2,183,806
Other Operating Revenue	115,716	50,387	166,103	-
Total Operating Revenues	<u>6,452,663</u>	<u>1,086,575</u>	<u>7,539,238</u>	<u>2,183,806</u>
<b>Operating Expenses</b>				
Water Administration	1,054,529	-	1,054,529	-
Utility Billing	228,193	-	228,193	-
Water Treatment	1,804,871	-	1,804,871	-
Transmission and Distribution	1,492,374	-	1,492,374	-
Stormwater Operations	-	543,996	543,996	-
Claims	-	-	-	1,837,999
Premiums	-	-	-	321,613
Administration Fees	-	-	-	144,964
Depreciation	1,418,687	110,558	1,529,245	-
Total Operating Expenses	<u>5,998,654</u>	<u>654,554</u>	<u>6,653,208</u>	<u>2,304,576</u>
Operating Income	<u>454,009</u>	<u>432,021</u>	<u>886,030</u>	<u>(120,770)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Grants	-	147,500	147,500	-
Interest Income	142,883	6,337	149,220	26,375
Debt Issuance Costs	-	-	-	-
Interest Expense	(332,273)	-	(332,273)	-
Total Nonoperating Revenues (Expenses)	<u>(189,390)</u>	<u>153,837</u>	<u>(35,553)</u>	<u>26,375</u>
Net Income Before Capital Contributions and Transfers	264,619	585,858	850,477	(94,395)
Developer Contributions	2,750	8,750	11,500	-
Tap Fees	296,199	-	296,199	-
Transfers In	180,900	-	180,900	-
Transfers Out	(393,800)	(740,100)	(1,133,900)	-
Change in Net Position	350,668	(145,492)	205,176	(94,395)
<b>Net Position, Beginning of Year</b>	<u>31,618,965</u>	<u>4,214,021</u>	<u>35,832,986</u>	<u>1,162,820</u>
<b>Net Position, End of Year</b>	<u>\$ 31,969,633</u>	<u>\$ 4,068,529</u>	<u>\$ 36,038,162</u>	<u>\$ 1,068,425</u>

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

# CITY OF CAÑON CITY, COLORADO

## Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2018

	Business-Type Activities			Governmental Activities	
	Water Fund	Stormwater Utility Fund	Total	Internal Service Fund	Governmental Activities
<b>Cash Flows From Operating Activities</b>					
Cash Received from Customers	\$ 6,661,389	\$ 1,084,165	\$ 7,745,554	\$ 2,182,969	-
Cash Payments to Suppliers for Goods and Services	(2,137,276)	(438,645)	(2,575,921)	(2,393,479)	-
Cash Payments to Employees for Services	(2,247,446)	(75,744)	(2,323,190)	-	-
Net Cash Provided (Used) by Operating Activities	<u>2,276,667</u>	<u>569,776</u>	<u>2,846,443</u>	<u>(210,510)</u>	-
<b>Cash Flows From Capital and Related Financing Activities</b>					
Tap Fees Received	296,199	-	296,199	-	-
Acquisition and Construction of Capital Assets	(636,115)	(4,601)	(640,716)	-	-
Debt Principal Payments	(575,000)	-	(575,000)	-	-
Debt Interest Payments	(298,281)	-	(298,281)	-	-
Loan Proceeds	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-
Debt Issuance Costs	-	-	-	-	-
Net Cash Provided (Used) by Capital Financing Activities	<u>(1,213,197)</u>	<u>(4,601)</u>	<u>(1,217,798)</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Repayment Received from Loans to Other Funds	222,223	-	222,223	-	-
Transfers from Other Funds	180,900	-	180,900	-	-
Transfers to Other Funds	(393,800)	(740,100)	(1,133,900)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>9,323</u>	<u>(568,873)</u>	<u>(559,550)</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Interest on Investments	142,883	6,337	149,220	26,375	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,215,676	2,639	1,218,315	(184,135)	-
Cash and Cash Equivalents, Beginning of Year	<u>4,499,627</u>	<u>297,866</u>	<u>4,797,493</u>	<u>1,511,467</u>	-
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 5,715,303</u></b>	<b><u>\$ 300,505</u></b>	<b><u>\$ 6,015,808</u></b>	<b><u>\$ 1,327,332</u></b>	-
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income	\$ 454,009	\$ 432,021	\$ 886,030	\$ (120,770)	-
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,418,687	110,558	1,529,245	-	-
Changes in Assets and Liabilities					
Accounts Receivable	192,711	497	193,208	(837)	-
Inventory	(3,803)	-	(3,803)	-	-
Prepaid Expenses	-	-	-	2,358	-
Accounts Payable	186,932	28,750	215,682	(53,961)	-
Accrued Liabilities	11,042	289	11,331	(37,300)	-
Deposits	7,049	-	7,049	-	-
Unearned Revenues	8,966	(2,907)	6,059	-	-
Accrued Compensated Absences	1,074	568	1,642	-	-
Total Adjustments	<u>1,822,658</u>	<u>137,755</u>	<u>1,960,413</u>	<u>(89,740)</u>	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,276,667</u>	<u>\$ 569,776</u>	<u>\$ 2,846,443</u>	<u>\$ (210,510)</u>	-
<b>Non Cash Transactions</b>					
Developer Contributions	<u>\$ 2,750</u>	<u>\$ 8,750</u>	<u>\$ 11,500</u>	<u>\$ -</u>	-

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

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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

The City of Cañon City, Colorado (the “City”) was formed on April 2, 1872, and later became a home rule city as defined by Colorado Revised Statutes. The City is governed by a Mayor and a seven-member Council elected by the residents.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The more significant of the City's accounting policies are described below.

#### **Reporting Entity**

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

Based on the application of these criteria, the City includes various public improvement districts within its reporting entity. The City Council is the governing authority of the Districts, with the authority to issue debt in the name of the Districts, and management of the City has operational responsibility for the Districts. The financial information of the Districts is blended into the City's financial statements as a debt service fund. No separate financial statements are issued for the individual public improvement districts.

#### **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 activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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

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

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

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

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

The *Quality of Life Fund* is used to account for capital improvements that are generally funded by grants, financing proceeds or other special resources.

The *Street Improvement Fund* accounts for a 1% sales and use tax collected from January 1, 2017 through December 31, 2026 to be used exclusively to fund costs of street related infrastructure improvements and repairs.

The City reports the following major proprietary funds:

The *Water Fund* accounts for all activities necessary to provide water services to City residents.

The *Stormwater Utility Fund* accounts for all activities necessary for the operations and maintenance of the City's stormwater facilities.

Additionally, the City reports the following fund type:

The *Internal Service Fund* is used to account for the financing of health-related insurance needs for City employees.

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

*Cash Equivalents* - For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

*Receivables* - Receivables are reported net of an allowance for uncollectible accounts, where applicable.

*Property Taxes Receivable* - Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the City on a monthly basis.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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

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

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

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

*Interfund Receivables and Payables* - Certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

*Capital Assets* - Capital assets, which include property, equipment, all water and stormwater systems infrastructure and all governmental activities infrastructure acquired since 1980, 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. Purchases or construction of capital assets are recorded as expenditures in the governmental funds.

Capital assets are defined by the City as assets with an individual cost of \$5,000 or greater, and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. Interest incurred during construction is capitalized in proprietary funds, if applicable. The City's museum collection is not capitalized because it is held for public exhibition and is not subject to sale to outside parties.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 - 40 years
Machinery and Equipment	3 - 10 years
Infrastructure	30 - 50 years
Water and Stormwater Systems	30 - 50 years

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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

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

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

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from each plan's fiduciary net position have been determined using the same basis of accounting as the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

*Unearned Revenues* - Unearned revenues include grants that have been collected but corresponding expenditures have not been incurred, and certain revenues received in advance, such as building and park rent receipts.

*Compensated Absences* - Employees of the City are allowed to accumulate unused personal time off (PTO) up to a maximum based on years of service. Upon termination of employment from the City, an employee will be compensated for all accrued PTO at their current pay rate, provided they have completed six months of service. A liability for unpaid PTO is reported in the government-wide financial statements, and in the proprietary funds in the fund financial statements. Governmental funds recognize a liability only when payment is due.

*Long-Term Debt* - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary funds. Debt premiums, discounts and losses resulting from debt refundings, are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts as other financing sources or uses. The face amount of the debt issued is reported as an other financing source.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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

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

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Deferred Inflows of Resources* - Deferred inflows of resources include property taxes earned but levied for a subsequent fiscal year. In addition, special assessments and grants earned but not available as current financial resources are deferred in the governmental fund financial statements.

**Net Position/Fund Balances** - In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the City imposes on itself by action of City Council through ordinances. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Commitments may be established, modified or rescinded only through ordinances approved by City Council. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted or committed. In Resolution No. 16, Series of 2010, City Council delegated authority for the establishment of assigned fund balances to the City Administrator and the Finance Director, acting jointly.

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 City Council has provided otherwise in its commitment or assignment actions.

##### **Contraband Forfeitures**

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. All such transactions are recorded in the Police Forfeiture Special Revenue Fund. The proceeds are not subject to appropriation in the budget process. Property and equipment seized are recorded as capital assets.

#### **NOTE 2: ACCOUNTABILITY**

At December 31, 2018, the Street Improvement Fund had a negative fund balance of \$1,595,293 because interfund loans totaling \$5,000,000 were received from the General Fund, Cemetery Fund and the Water Fund. The interfund loans will be repaid with future sales and use tax revenues, which will eliminate the negative fund balance. Through the end of the current fiscal period \$555,556 of the interfund loans has been repaid leaving a remaining unpaid balance of \$4,444,444.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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#### **NOTE 3: CASH AND INVESTMENTS**

At December 31, 2018, the City had the following cash and investments:

Cash on Hand	\$ 2,052
Deposits	889,076
Investments	<u>18,755,074</u>
Total	<u><b>\$ 19,646,202</b></u>

#### **Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2018, the City had bank deposits of \$296,793 collateralized with securities held by the financial institutions' agents but not in the City's name.

#### **Investments**

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

The City's investment policy does not further limit its investment choices.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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

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

The City had the following investments at December 31, 2018:

Investment	Maturity	Rating	Total
City PID Bonds:			
PID No. 2014-1	06/30/25	NA	\$ 4,000
Local Government Investment Pools	NA	AAAm	<u>14,755,074</u>
Total			<u><b>\$ 18,755,074</b></u>

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

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

*Concentration of Credit Risk* - State statutes do not limit the amount the City may invest in one issuer, except for corporate securities.

*Local Government Investment Pools* - The City has invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established by State statutes for local government entities in Colorado to pool surplus funds.

The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The Pools are rated AAAm by Standard and Poor's. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the Pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 4: CAPITAL ASSETS

Following is a summary of changes in capital assets for the year ended December 31, 2018:

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 1,883,027	\$ 103,750	\$ -	\$ 1,986,777
Ditch Stock	7,414	-	-	7,414
Construction In Progress	596,769	3,254,588	132,161	3,719,196
Total Capital Assets, Not Being Depreciated	2,487,210	3,358,338	132,161	5,713,387
Capital Assets, Being Depreciated				
Infrastructure	37,590,320	3,006,867	901,767	39,695,420
Buildings	22,004,794	497,402	565,225	21,936,971
Improvements	21,446,952	412,103	-	21,859,055
Machinery and Equipment	5,698,687	573,982	-	6,272,669
Total Capital Assets, Being Depreciated	86,740,753	4,490,354	1,466,992	89,764,115
Less Accumulated Depreciation for				
Infrastructure	14,160,051	997,820	901,767	14,256,104
Buildings	4,967,504	678,528	130,708	5,515,324
Improvements	6,879,055	952,947	-	7,832,002
Machinery and Equipment	4,189,063	307,818	-	4,496,881
Total Accumulated Depreciation	30,195,673	2,937,113	1,032,475	32,100,311
Total Capital Assets, Being Depreciated, Net	56,545,080	1,553,241	434,517	57,663,804
Governmental Activities Capital Assets, Net	<b>\$ 59,032,290</b>	<b>\$ 4,911,579</b>	<b>\$ 566,678</b>	<b>\$ 63,377,191</b>

# CITY OF CAÑON CITY, COLORADO

## Notes to Financial Statements December 31, 2018

### NOTE 4: CAPITAL ASSETS (Continued)

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 340,672	\$ 9,479	\$ -	\$ 350,151
Construction In Progress	45,226	-	-	45,226
Water Rights/Ditch Stock	1,046,663	6,875	-	1,053,538
Total Capital Assets, Not Being Depreciated	1,432,561	16,354	-	1,448,915
Capital Assets, Being Depreciated				
Buildings	9,143,695	-	-	9,143,695
Water and Stormwater Systems	47,163,720	244,957	-	47,408,677
Machinery and Equipment	3,450,554	112,229	6,511	3,556,272
Total Capital Assets, Being Depreciated	59,757,969	357,186	6,511	60,108,644
Less Accumulated Depreciation for				
Buildings	4,522,419	199,952	-	4,722,371
Water and Stormwater Systems	15,299,200	1,173,258	-	16,472,458
Machinery and Equipment	2,955,793	156,035	6,511	3,105,317
Total Accumulated Depreciation	22,777,412	1,529,245	6,511	24,300,146
Total Capital Assets, Being Depreciated, Net	36,980,557	(1,172,059)	-	35,808,498
Business-Type Activities Capital Assets, Net	<u>\$ 38,413,118</u>	<u>\$ (1,155,705)</u>	<u>\$ -</u>	<u>\$ 37,257,413</u>

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

#### Governmental Activities

General Government	\$ 214,229
Public Safety	192,968
Public Works	1,087,929
Culture and Recreation	1,441,987
Total	<u>\$ 2,937,113</u>

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the City for the year ended December 31, 2018.

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/18</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Public Improvement Bonds	\$ 6,000	\$ -	\$ 2,000	\$ 4,000	\$ -
Capital Lease	1,330,000	-	210,000	1,120,000	215,000
Compensated Absences	464,885	522,005	603,080	383,810	383,810
Totals	<b>\$ 1,800,885</b>	<b>\$ 522,005</b>	<b>\$ 815,080</b>	<b>\$ 1,507,810</b>	<b>\$ 598,810</b>
<b>Business-Type Activities</b>					
Certificates of Participation, Series 2017	10,615,000	-	575,000	10,040,000	595,000
Compensated Absences	133,871	153,691	152,050	135,512	132,143
Totals	<b>\$ 10,748,871</b>	<b>\$ 153,691</b>	<b>\$ 727,050</b>	<b>\$ 10,175,512</b>	<b>\$ 727,143</b>

### Public Improvement Bonds

Several Public Improvement Districts have issued bonds to construct various improvements within the Districts. For the year ended December 31, 2018, revenues of \$7,124 were available to pay debt service of \$2,420. In addition, the City has established the Excess Special Improvement District Fund to pay debt service if any shortages in assessments occur. Outstanding bonds at December 31, 2018 are as follows:

<u>Public Improvement District</u>	<u>Due Date</u>	<u>Rate</u>	<u>Balance</u>
14-1	06-2025	7.0%	<u>4,000</u>
Total			<b><u>\$ 4,000</u></b>

### Capital Lease

During 2013, the City entered into a capital lease agreement with the Branch Banking and Trust Company in the principal amount of \$2,310,000 to refund the outstanding Certificates of Participation, Series 2003, originally issued to finance the construction of the new City Hall building and to provide \$380,092 to finance future capital improvements. Interest accrues at the rate of 2.05%. Interest payments are due semi-annually in June and December. Principal payments are due annually in December, through 2023.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 5: LONG-TERM DEBT (Continued)

#### Capital Lease (Continued)

Annual debt service requirements for the capital lease follow:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 215,000	\$ 22,960	\$ 237,960
2020	215,000	18,553	233,553
2021	225,000	14,145	239,145
2022	230,000	9,533	239,533
2023	235,000	4,817	239,817
 Total	 <u>\$ 1,120,000</u>	 <u>\$ 70,008</u>	 <u>\$ 1,190,008</u>

#### Certificates of Participation

In April 2017, the City issued Refunding and Improvement Certificates of Participation, Series 2017, in the principal amount of \$11,290,000. The issuance was made to refund the outstanding Certificates of Participation, Series 2008, originally issued to finance the cost of the acquisition, construction and improvements to the City's water treatment facility and to provide \$850,537 for water related capital improvements in connection with the planned street improvements. Interest accrues at the rate of 2.81%. Interest payments are due semi-annually on May 15 and November 15. Principal payments are due annually on November 15 through 2032.

Annual debt service requirements for the Certificates of Participation follow:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 595,000	\$ 282,124	\$ 877,124
2020	615,000	265,404	880,404
2021	630,000	248,123	878,123
2022	645,000	230,420	875,420
2023	665,000	212,296	877,296
2024-2028	3,620,000	770,081	4,390,081
2029-2032	3,270,000	233,230	3,503,230
 Total	 <u>\$ 10,040,000</u>	 <u>\$ 2,241,678</u>	 <u>\$ 12,281,678</u>

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 5: LONG-TERM DEBT (Continued)

#### Compensated Absences

Compensated absences of the governmental activities are expected to be liquidated with revenues from the General and Park Improvement Funds.

### NOTE 6: INTERFUND BALANCES AND TRANSACTIONS

During the year ended December 31, 2017, loans from the General Fund in the amount of \$1,000,000, the Cemetery Fund in the amount of \$2,000,000 and the Water Fund in the amount of \$2,000,000 were made to the Street Improvement Fund to finance street improvement capital projects. The Street Improvement Fund will repay the loans over a ten year period through 2026 as sales and use taxes are collected. Interest will accrue on the outstanding balance of the loans at a rate equal to each year's annual average investment rate plus 0.5%. At December 31, 2018, the outstanding balance of the loan was \$4,444,444.

Transfers between funds during the year ended December 31, 2018, consisted of the following:

Transfers In	Transfers Out	
General	Water	\$ 393,800
General	Stormwater Utility	699,200
General	Excess Special Improvement District	15,000
Water	General	140,000
Water	Stormwater Utility	40,900
Quality of Life Fund	Museum Donations Fund	884
Excess Special Improvement District	Public Improvement District 2005-01	<u>18,992</u>
 Total		 <u>\$ 1,308,776</u>

Transfers from the Water and Stormwater Utility Funds to the General Fund were for the reimbursement of central service costs. The transfer from the Excess Special Improvement District Fund to the General Fund were reimbursements of expenditures and administrative costs associated with the Public Improvement Districts. Transfer from the General Fund to the Water Fund for Water costs related to an Economic Development Assistance Agreement. Transfers from the Stormwater Utility Fund to the Water Fund were for the reimbursement of utility billing costs. The transfer from the Museum Donations Fund to the Quality of Life Fund is to provide City grant match for the State Historical Fund grant for the renovation of the Rudd House. The transfer from PID 2005-01 to the Excess Special Improvement District Fund is the remaining residual equity after all assessments due have been paid by the PID 2005-01 property owners.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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#### **NOTE 7: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; natural disasters; and health and dental claims of its employees. The City plans to provide for or restore the economic damages of those losses through risk retention and risk transfer. The City accounts for and finances risk activities in the General Fund and the Internal Service Fund.

#### **Self-Insured Medical Plan**

The City has established an insurance plan to provide medical, dental, and visual benefits to eligible employees and dependents. For the contract year ended October 31, 2018, the City self-insured this program up to \$100,000 per claim. Insurance coverage was purchased for claims in excess of this amount. Self-insurance activities are accounted for in the Internal Service Fund. Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements and the internal service fund if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Except for the current amounts, the City believes the estimated claims liability is not fully measurable, and the City could incur additional costs related to the IBNR claims.

Changes in claims payable were as follows:

Claims Payable, December 31, 2016	\$ 443,100
Claims Incurred and Adjustments	1,565,007
Claims Paid	<u>(1,792,407)</u>
Claims Payable, December 31, 2017	215,700
Claims Incurred and Adjustments	1,837,999
Claims Paid	<u>(1,875,299)</u>
Claims Payable, December 31, 2018	<u><b>\$ 178,400</b></u>

#### **Public Entity Risk Pool**

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

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

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 7: RISK MANAGEMENT (Continued)

#### **Public Entity Risk Pool** (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

### NOTE 8: EMPLOYEE RETIREMENT PLANS

#### **Police Pension Plan**

##### General Information

*Plan Description* - The City contributes to the Statewide Defined Benefit Plan (the “SWDB Plan”), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the “SWH Plan”), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA). All police officers are required to participate in the plans on the first day of employment. Eligible employees hired after April 1, 2007, are required to participate in the SWDB Plan. Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

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

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member’s average highest three years’ base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 8: EMPLOYEE RETIREMENT PLANS (Continued)

#### Police Pension Plan (Continued)

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

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

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

*Contributions* - The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees each contributed 8% and 10% of base salary, respectively, for the year ended December 31, 2018. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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#### **NOTE 8: EMPLOYEE RETIREMENT PLANS (Continued)**

##### **Police Pension Plan (Continued)**

Contributions from employees and employers re-entering the SWDB Plan are established by resolution of the FPPA Board of Directors. The re-entry group had a combined contribution rate of 20% of base salary through December 31, 2014. The split of contributions between employees and the City is determined by the City Council. In accordance with the aforementioned election, the re-entry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

The City's contributions to the SWDB Plan for the year ended December 31, 2018, were \$130,696, equal to the required contributions.

The City and eligible employees are required to contribute to the SWH Plan at rates established by City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component allocation from July 1, 2017, through June 30, 2018, was 14.3%, and thereafter was 15%. For the year ended December 31, 2018, City Council established the contribution rate split at 10% and 12% of base salary for the City and employees, respectively.

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

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

The City's contributions to the SWH Plan for the year ended December 31, 2018, were \$6,735, equal to the required contributions.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 8: EMPLOYEE RETIREMENT PLANS (Continued)

#### Police Pension Plan (Continued)

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

At December 31, 2018, the City reported a net pension asset of \$386,554 and \$81,905, representing its proportionate share of the net pension asset of the SWDB and SWH Plans, respectively. The net pension asset was measured at December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2018. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2017, relative to the projected contributions of all participating employers.

At December 31, 2017, the City's proportion of the SWDB Plan was 0.26869046%, which was an increase of 0.00395399% from its proportion measured at December 31, 2016. The City's proportion of the SWH Plan was 0.41889357%, which was a decrease of 0.09278447% from its proportion measured at December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense for the SWDB and SWH Plans of \$206,599 and \$4,601, respectively. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Statewide Defined Benefit Plan</b>		
Differences between expected and actual experience	\$ -	\$ 3,629
Net difference between projected and actual earnings on plan investments	245,116	135,984
Changes in assumptions and other inputs	50,160	-
Changes in proportion	-	25,053
Contributions subsequent to the measurement date	130,696	-
Subtotal	425,972	164,666
<b>Statewide Hybrid Plan</b>		
Differences between expected and actual experience	\$ 30,862	\$ -
Net difference between projected and actual earnings on plan investments	-	5,807
Changes in assumptions and other inputs	1,410	-
Changes in proportion	146,390	-
Contributions subsequent to the measurement date	6,735	-
Subtotal	185,397	5,807
Total	<b>\$ 611,369</b>	<b>\$ 170,473</b>

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 8: EMPLOYEE RETIREMENT PLANS (Continued)

#### Police Pension Plan (Continued)

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$130,696 and \$6,735, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

#### Year Ended December 31,

	<u>SWDB</u>	<u>SWH</u>
2019	\$ 35,714	\$ 37,817
2020	(20,071)	35,658
2021	(40,759)	34,845
2022	36,956	38,042
2023	36,956	26,396
Thereafter	<u>81,815</u>	<u>96</u>
 Total	 <u>\$ 130,611</u>	 <u>\$ 172,854</u>

*Actuarial Assumptions* - The actuarial valuation at January 1, 2018, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.5%
Inflation	2.5%
Projected salary increases	4.0% - 14.0%
Cost of living adjustment	0%

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

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 8: EMPLOYEE RETIREMENT PLANS (Continued)

#### Police Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
Total	<u><b>100%</b></u>	

*Discount Rate* - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

# CITY OF CAÑON CITY, COLORADO

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## Notes to Financial Statements December 31, 2018

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### NOTE 8: EMPLOYEE RETIREMENT PLANS (Continued)

#### Police Pension Plan (Continued)

*Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate* - The following presents the City's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.5%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the SWDB net pension asset (liability)	\$ (420,842)	\$ 386,554	\$ 1,056,992
City's proportionate share of the SWH net pension asset		57,925	81,905
Total Net Pension Asset (Liability)	<u>\$ (362,917)</u>	<u>\$ 468,459</u>	<u>\$ 1,159,079</u>

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

#### General Employee's Pension Plan

All employees, other than uniformed police, are eligible to participate in this single-employer defined contribution pension plan after six months of service. The City and employees each contribute 4.9% of the employee's base salary to the plan. Employee contributions are 100% vested when paid. City contributions and trust income are fully vested after three years. All plan provisions, including contribution requirements, are established and may be amended by the City Council. During the year ended December 31, 2018, the City and employees each contributed \$220,268 to the plan, equal to the required contributions. Employees may make voluntary contributions to the plan. The International City Managers Association – Retirement Corporation (ICMA-RC) administers the plan.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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#### **NOTE 8: EMPLOYEE RETIREMENT PLANS (Continued)**

##### **Deferred Compensation Plan**

The City has established a deferred compensation plan in accordance with Internal Revenue Code Section 457. The City Council determines the City's contributions to the plan. Currently, the City contributes 5.1% of the City Administrator's base salary to the plan. The plan is also available to all employees and permits them to defer a portion of their salary within the limits established by the Internal Revenue Service. During the year ended December 31, 2018, the City contributed \$6,789 to the plan. The plan is administered by ICMA-RC, and all plan assets are held in trust for the exclusive benefit of the participants.

#### **NOTE 9: OTHER POSTEMPLOYMENT BENEFITS**

##### **Statewide Death & Disability Plan**

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

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

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

Disability benefits are as follows:

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

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

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

*Contributions* - The contribution requirements are established by State statutes. However, in accordance with Colorado Revised Statutes (CRS) 31-31-811(4), the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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#### **NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the City contributed 2.7% of base salaries on behalf of the members during the year ended December 31, 2018. Contributions to the plan for the year ended December 31, 2018 were \$42,216, equal to the required contributions.

Based on the 2018 actuarial results, the FPPA Board of Directors agreed to increase the contribution rate from 2.7% to 2.8% effective January 1, 2019, through December 31, 2020.

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

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

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

#### **NOTE 10: COMMITMENTS AND CONTINGENCIES**

##### **Tax, Spending and Debt Limitations**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. In November of 2009, the citizens approved an election question that allowed the City to collect and spend all revenues, notwithstanding the limitations of the Amendment. The citizens approved this change with an expiration date of January 1, 2020. In 2017, this approval was extended by election to January 1, 2030. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the Amendment. However, the City has made certain interpretations of the Amendment's language in order to determine compliance. As required by the Amendment, the City has established an emergency reserve of \$318,440 at December 31, 2018, which was reported as restricted fund balance in the General Fund.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Financial Statements**

### **December 31, 2018**

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#### **NOTE 11: SOLID WASTE DISPOSAL FACILITY**

The City owns and operates a Water Treatment Facility, which utilizes a residual drying bed impoundment that produces solid waste. The Colorado Department of Public Health and Environment (the “Department”) has required the City to comply with its regulations (6 CCR 1007-2) requiring the City to establish financial assurances sufficient to ensure payment of closure and post-closure costs for the impoundment.

The City does not expect the impoundment to be closed in the foreseeable future. However, in accordance with the aforementioned regulations, the City has estimated the closure and post-closure costs for thirty years at \$447,215 and \$35,377 respectively. The City will be required to maintain adequate financial assurance coverage for these costs continuously until a release is granted by the Department.

Because the likelihood that the impoundment will be closed and the City will incur the related closure and post-closure costs is remote, no liability for this loss contingency has been reported in the financial statements.

#### **NOTE 12: SUBSEQUENT EVENTS**

##### **Certificates of Participation Issuance:**

The City issued \$7,470,000 in Certificates of Participation on March 28, 2019 to provide funding for a multi-year stormwater system construction project. A 45% stormwater rate increase was implemented on January 1, 2019 designated towards providing the resources necessary for payment of the annual debt service.

## **REQUIRED SUPPLEMENTARY INFORMATION**



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# CITY OF CAÑON CITY, COLORADO

## Budgetary Comparison Schedule General Fund For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes and Assessments	\$ 8,253,390	\$ 8,253,390	\$ 8,485,749	\$ 232,359
Licenses and Permits	198,300	198,300	476,835	278,535
Intergovernmental	1,009,220	1,040,027	1,209,033	169,006
Charges for Services	224,250	224,250	253,152	28,902
Fines and Forfeitures	211,600	211,600	101,843	(109,757)
Royal Gorge Bridge	1,030,000	1,030,000	742,130	(287,870)
Interest	67,700	67,700	149,680	81,980
Rent	109,700	109,700	170,238	60,538
Contributions and Donations	19,500	19,500	51,645	32,145
Other	97,900	97,900	60,786	(37,114)
<b>Total Revenues</b>	<b>11,221,560</b>	<b>11,252,367</b>	<b>11,701,091</b>	<b>448,724</b>
<b>Expenditures</b>				
Current				
General Government	3,593,901	3,604,641	3,498,408	106,233
Public Safety	4,359,132	4,385,639	4,371,275	14,364
Public Works	2,494,638	2,453,768	2,303,806	149,962
Culture and Recreation	826,015	870,515	854,131	16,384
Capital Outlay				
Streets	915,000	616,700	267,257	349,443
Other	1,088,466	1,376,696	949,886	426,810
Debt Service				
Principal	210,000	210,000	210,000	-
Interest	27,265	27,265	27,265	-
<b>Total Expenditures</b>	<b>13,514,417</b>	<b>13,545,224</b>	<b>12,482,028</b>	<b>1,063,196</b>
Excess of Revenues Over (Under) Expenditures	(2,292,857)	(2,292,857)	(780,937)	1,511,920
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	5,000	5,000	430,689	425,689
Transfers In	816,600	816,600	1,108,000	291,400
Transfers Out	-	(140,000)	(140,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>821,600</b>	<b>681,600</b>	<b>1,398,689</b>	<b>717,089</b>
Net Change in Fund Balance	(1,471,257)	(1,611,257)	617,752	2,229,009
<b>Fund Balance, Beginning of Year</b>	<b>7,897,439</b>	<b>7,897,439</b>	<b>8,313,807</b>	<b>416,368</b>
<b>Fund Balance, End of Year</b>	<b>\$ 6,426,182</b>	<b>\$ 6,286,182</b>	<b>\$ 8,931,559</b>	<b>\$ 2,645,377</b>

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

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## **Budgetary Comparison Schedule**

### **Street Improvement Fund**

#### **For the Year Ended December 31, 2018**

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	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 3,478,700	\$ 3,478,700	\$ 3,620,852	\$ 142,152
Interest	11,000	11,000	62,610	51,610
<b>Total Revenues</b>	<u>3,489,700</u>	<u>3,489,700</u>	<u>3,683,462</u>	<u>193,762</u>
<b>Expenditures</b>				
Current				
Street Repairs	-	6,000	5,952	48
Capital Outlay				
Streets	3,500,000	3,456,000	1,684,671	1,771,329
Debt Service				
Interest	80,000	118,000	117,485	515
<b>Total Expenditures</b>	<u>4,136,000</u>	<u>4,136,000</u>	<u>1,808,108</u>	<u>2,327,892</u>
Net Change in Fund Balance	(646,300)	(646,300)	1,875,354	2,521,654
<b>Fund Balance, Beginning of Year</b>	<u>(3,654,700)</u>	<u>(3,654,700)</u>	<u>(3,470,647)</u>	<u>184,053</u>
<b>Fund Balance, End of Year</b>	<u>\$ (4,301,000)</u>	<u>\$ (4,301,000)</u>	<u>\$ (1,595,293)</u>	<u>\$ 2,705,707</u>

See the accompanying indendent auditors' report.

# CITY OF CAÑON CITY, COLORADO

## **Budgetary Comparison Schedule**

### **Quality of Life Fund**

**For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 1,863,456	\$ 1,863,456	\$ 1,546,922	\$ (316,534)
Royal Gorge Bridge	273,000	273,000	543,200	270,200
Interest	3,000	3,000	12,298	9,298
<b>Total Revenues</b>	<b>2,139,456</b>	<b>2,139,456</b>	<b>2,102,420</b>	<b>(37,036)</b>
<b>Expenditures</b>				
Current				
Public Safety	-	91,000	90,666	334
Capital Outlay				
Streets	2,159,277	1,339,277	1,078,647	260,630
Other	521,000	1,250,000	907,143	342,857
<b>Total Expenditures</b>	<b>2,680,277</b>	<b>2,680,277</b>	<b>2,076,456</b>	<b>603,821</b>
Excess of Revenues Over (Under) Expenditures	(540,821)	(540,821)	25,964	566,785
<b>Other Financing Sources</b>				
Transfers In	52,000	52,000	884	(51,116)
Net Change in Fund Balance	(488,821)	(488,821)	26,848	515,669
<b>Fund Balance, Beginning of Year</b>	<b>839,952</b>	<b>839,952</b>	<b>678,438</b>	<b>(161,514)</b>
<b>Fund Balance, End of Year</b>	<b>\$ 351,131</b>	<b>\$ 351,131</b>	<b>\$ 705,286</b>	<b>\$ 354,155</b>

See the accompanying indendent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

## **Budgetary Comparison Schedule**

### **Water Fund**

#### **For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Charges for Services	\$ 5,882,000	\$ 5,882,000	\$ 6,336,947	\$ 454,947
Interest	77,500	77,500	142,883	65,383
Tap Fees	96,600	96,600	296,199	199,599
Other	86,000	86,000	115,716	29,716
Transfers In	39,400	179,400	180,900	1,500
<b>Total Revenues</b>	<b><u>6,181,500</u></b>	<b><u>6,321,500</u></b>	<b><u>7,072,645</u></b>	<b><u>751,145</u></b>
<b>Expenditures</b>				
Water Administration	951,674	1,096,674	1,054,529	42,145
Utility Billing	269,221	269,221	228,193	41,028
Water Treatment	1,637,939	1,942,939	1,804,871	138,068
Transmission and Distribution	1,435,511	1,521,011	1,492,374	28,637
Capital Outlay	1,456,000	747,100	361,311	385,789
Debt Service	876,050	876,050	871,130	4,920
Transfers Out	220,400	393,800	393,800	-
<b>Total Expenditures</b>	<b><u>6,846,795</u></b>	<b><u>6,846,795</u></b>	<b><u>6,206,208</u></b>	<b><u>640,587</u></b>
<b>Change in Net Position, Budgetary Basis</b>	<b><u>\$ (665,295)</u></b>	<b><u>\$ (525,295)</u></b>	<b><u>\$ 866,437</u></b>	<b><u>\$ 1,391,732</u></b>
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Depreciation			(1,418,687)	
Amortization of Loss on Debt Refunding			(36,143)	
Debt Principal Payments			575,000	
Capital Outlay			361,311	
Developer Contributions			<u>2,750</u>	
<b>Change in Net Position, GAAP Basis</b>			<b><u>\$ 350,668</u></b>	

See the accompanying indendent auditors' report.

# CITY OF CAÑON CITY, COLORADO

## Required Supplementary Information

### Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions

#### Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan

For the Year Ended December 31, 2018

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
<b>Proportionate Share of the Net Pension Asset</b>					
City's Proportion of the Net Pension Asset	0.26869046%	0.26473647%	0.25185527%	0.23521294%	0.21431916%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 386,554	\$ (95,659)	\$ 4,440	\$ 265,457	\$ 191,641
City's Covered Payroll	\$ 1,519,823	\$ 1,311,504	\$ 1,179,685	\$ 998,713	\$ 850,045
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	25.4%	(7.3%)	0.4%	27%	23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.3%	98.2%	100.1%	107%	106%
 <b>City Contributions</b>	 12/31/18	 12/31/17	 12/31/16	 12/31/15	 12/31/14
Statutorily Required Contribution	\$ 130,696	\$ 125,732	\$ 108,390	\$ 97,674	\$ 84,621
Contributions in Relation to the Statutorily Required Contribution	(130,696)	(125,732)	(108,390)	(97,674)	(84,621)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,592,917	\$ 1,519,823	\$ 1,311,504	\$ 1,179,685	\$ 998,713
Contributions as a Percentage of Covered Payroll	8.20%	8.27%	8.26%	8.28%	8.47%

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

See the accompanying independent auditors' report.

# CITY OF CAÑON CITY, COLORADO

## Required Supplementary Information

### Schedule of Proportionate Share of the Net Pension Asset and Contributions

#### Fire & Police Pension Association of Colorado Statewide Hybrid Defined Benefit Plan

For the Year Ended December 31, 2018

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
<b>Proportionate Share of the Net Pension Asset</b>					
City's Proportion of the Net Pension Asset	0.41889357%	0.51167804%	1.19029991%	2.24608693%	2.71334174%
City's Proportionate Share of the Net Pension Asset	\$ 81,905	\$ 55,697	\$ 125,373	\$ 266,377	\$ 276,765
City's Covered Payroll	\$ 64,048	\$ 66,170	\$ 156,746	\$ 278,030	\$ 351,024
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	128%	84%	80%	96%	79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	139%	126%	129%	141%	139%
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
<b>City Contributions</b>					
Statutorily Required Contribution	\$ 6,735	\$ 6,405	\$ 6,617	\$ 15,675	\$ 27,803
Contributions in Relation to the Statutorily Required Contribution	(6,735)	(6,405)	(6,617)	(15,675)	(27,803)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 67,352	\$ 64,048	\$ 66,170	\$ 156,746	\$ 278,030
Contributions as a Percentage of Covered Payroll	10.00%	10.00%	10.00%	10.00%	10.00%

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

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

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## **Notes to Required Supplementary Information**

### **December 31, 2018**

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#### **NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **Budgets and Budgetary Accounting**

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

- In October, management 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 31, the budget is legally enacted through passage of an ordinance.
- State statutes stipulate that expenditures may not exceed budgeted appropriations at the fund level. The City adopted Resolution No. 41, Series of 1989, which authorizes the City Administrator to transfer budgeted amounts between operating line items within a fund. Any budget revisions that alter the total expenditures of any fund must be approved by the City Council.
- Budgets are legally adopted for all funds of the City except the Public Improvement Districts Fund, the Police Forfeiture Fund and the Cemetery Fund. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain interfund transactions that are reported as revenues and expenditures on the budgetary basis but not the GAAP basis of accounting. Budgetary comparisons presented for the Proprietary Funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All appropriations lapse at year end.



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# NON-MAJOR GOVERNMENTAL FUNDS

## **Special Revenue Funds**

### Park Improvement Fund

This fund accounts for transactions related to maintenance or improvements to the City's parks.

### Conservation Trust Fund

This fund accounts for revenues received from State lottery funding that is restricted for recreational purpose expenditures.

### Police Forfeiture Fund

This fund accounts for revenues from police forfeitures and their use.

### Library Donations Fund

This fund accounts for donations received for the City library and the disbursements for library projects.

### Museum Donations Fund

This fund accounts for donations received for the City museum and the related museum expenditures.

## **Debt Service Funds**

### Public Improvement Districts Fund

This fund accounts for assessment revenue for Public Improvement Districts and the payment of related debt.

### Excess Special Improvement District Fund

This fund accounts for revenues from Public Improvement Districts (PIDs) that are in excess of the requirements of the PIDs, or pays debt service on PID bonds where revenues were not adequate to cover all costs.

## **Permanent Fund**

### Cemetery Fund

This fund accounts for cemetery related revenues allocated to this fund and accumulates resources for the eventual perpetual care of Lakeside Cemetery.

# CITY OF CAÑON CITY, COLORADO

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2018

Special Revenue Funds						
	Park Improvement	Conservation Trust	Police Forfeiture	Library Donations	Museum Donations	
<b>Assets</b>						
Cash	\$ 332,283	\$ 70,160	\$ 9,395	\$ 37,275	\$ 114,200	
Receivables						
Special Assessments	-	-	-	-	-	
Other	263,715	30,875	-	-	-	
Interfund Receivables	-	-	-	-	-	
Inventory	9,753	-	-	-	-	
Total Assets	\$ 605,751	\$ 101,035	\$ 9,395	\$ 37,275	\$ 114,200	
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 12,082	\$ 12,094	\$ -	\$ -	\$ -	
Accrued Liabilities	16,101	-	-	-	-	
Deposits	1,400	-	-	-	-	
Unearned Revenues	4,270	-	-	-	-	
Total Liabilities	\$ 33,853	\$ 12,094	\$ -	\$ -	\$ -	
<b>Deferred Inflows of Resources</b>						
Assessments	-	-	-	-	-	
Total Deferred Inflows of Resources	-	-	-	-	-	
<b>Fund Balances</b>						
Nonspendable						
Inventory	9,753	-	-	-	-	
Cemetery Perpetual Care	-	-	-	-	-	
Restricted for						
Public Safety	-	-	9,395	-	-	
Culture and Recreation	-	88,942	-	9,109	93,286	
Debt Service	-	-	-	-	-	
Assigned to						
Culture and Recreation	562,145	-	-	28,166	20,913	
Debt Service	-	-	-	-	-	
Total Fund Balances	\$ 571,898	\$ 88,942	\$ 9,395	\$ 37,275	\$ 114,199	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 605,751	\$ 101,036	\$ 9,395	\$ 37,275	\$ 114,199	

See the accompanying independent auditors' report.

Debt Service Funds		Permanent Fund		Total Nonmajor Governmental Funds
Public Improvement Districts	Excess Special Improvement District	Cemetery		
\$ 7,563	\$ 337,302	\$ 325,196	\$ 1,233,374	
11,847	-	-	11,847	
-	-	-	294,590	
-	-	1,777,778	1,777,778	
-	-	-	9,753	
<u>\$ 19,410</u>	<u>\$ 337,302</u>	<u>\$ 2,102,974</u>	<u>\$ 3,327,342</u>	
\$ -	\$ -	\$ -	\$ 24,176	
-	-	-	16,101	
-	-	-	1,400	
-	-	-	4,270	
<u>-</u>	<u>-</u>	<u>-</u>	<u>45,947</u>	
<u>11,847</u>	<u>-</u>	<u>-</u>	<u>11,847</u>	
<u>11,847</u>	<u>-</u>	<u>-</u>	<u>11,847</u>	
-	-	-	9,753	
-	-	2,102,974	2,102,974	
-	-	-	9,395	
-	-	-	191,337	
7,563	4,000	-	11,563	
-	-	-	611,224	
-	333,302	-	333,302	
<u>7,563</u>	<u>337,302</u>	<u>2,102,974</u>	<u>3,269,548</u>	
<u>\$ 19,410</u>	<u>\$ 337,302</u>	<u>\$ 2,102,974</u>	<u>\$ 3,327,342</u>	

# CITY OF CAÑON CITY, COLORADO

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2018

	Special Revenue Funds				
	Park Improvement	Conservation Trust	Police Forfeiture	Library Donations	Museum Donations
<b>Revenues</b>					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,000	116,479	-	11,927	-
Charges for Services	70,349	-	-	-	-
Royal Gorge Bridge	1,429,000	-	-	-	-
Interest	7,244	1,523	170	672	2,089
Rent	27,789	-	-	-	-
Contributions and Donations	-	-	-	6,890	4,831
Other	3,056	-	-	-	-
<b>Total Revenues</b>	<b><u>1,561,438</u></b>	<b><u>118,002</u></b>	<b><u>170</u></b>	<b><u>19,489</u></b>	<b><u>6,920</u></b>
<b>Expenditures</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	748	-	-
Culture and Recreation	1,199,269	35,968	-	7,597	1,610
Capital Outlay					
Other	220,549	61,679	-	5,000	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b><u>1,419,818</u></b>	<b><u>97,647</u></b>	<b><u>748</u></b>	<b><u>12,597</u></b>	<b><u>1,610</u></b>
Excess of Revenues Over (Under) Expenditures	<b><u>141,620</u></b>	<b><u>20,355</u></b>	<b><u>(578)</u></b>	<b><u>6,892</u></b>	<b><u>5,310</u></b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(884)
<b>Total Other Financing Sources (Uses)</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(884)</u></b>
Net Change in Fund Balances	141,620	20,355	(578)	6,892	4,426
<b>Fund Balances, Beginning of Year</b>	<b><u>430,278</u></b>	<b><u>68,587</u></b>	<b><u>9,973</u></b>	<b><u>30,383</u></b>	<b><u>109,773</u></b>
<b>Fund Balances, End of Year</b>	<b><u>\$ 571,898</u></b>	<b><u>\$ 88,942</u></b>	<b><u>\$ 9,395</u></b>	<b><u>\$ 37,275</u></b>	<b><u>\$ 114,199</u></b>

Debt Service Funds		Permanent Fund		Total Nonmajor Governmental Funds
Public Improvement Districts	Excess Special Improvement District	Cemetery		
\$ 4,862	\$ -	\$ -	\$ 4,862	
-	-	-	152,406	
-	-	16,567	86,916	
-	-	-	1,429,000	
2,262	5,957	48,222	68,139	
-	-	-	27,789	
-	-	-	11,721	
-	-	500	3,556	
<u>7,124</u>	<u>5,957</u>	<u>65,289</u>	<u>1,784,389</u>	
67	-	-	67	
-	-	-	748	
-	-	-	1,244,444	
-	-	-	287,228	
2,000	-	-	2,000	
420	-	-	420	
<u>2,487</u>	<u>-</u>	<u>-</u>	<u>1,534,907</u>	
4,637	5,957	65,289	249,482	
-	18,992	-	18,992	
(18,992)	(15,000)	-	(34,876)	
<u>(18,992)</u>	<u>3,992</u>	<u>-</u>	<u>(15,884)</u>	
(14,355)	9,949	65,289	233,598	
21,918	327,353	2,037,685	3,035,950	
\$ <u>7,563</u>	\$ <u>337,302</u>	\$ <u>2,102,974</u>	\$ <u>3,269,548</u>	

# **CITY OF CAÑON CITY, COLORADO**

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## **Budgetary Comparison Schedule**

### **Park Improvement Fund**

### **For the Year Ended December 31, 2018**

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	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 24,000	\$ 24,000
Charges for Services	76,500	76,500	70,349	(6,151)
Royal Gorge Bridge	1,272,000	1,337,000	1,429,000	92,000
Interest	4,500	4,500	7,244	2,744
Rent	19,000	19,000	27,789	8,789
Other	4,500	4,500	3,056	(1,444)
<b>Total Revenues</b>	<b>1,376,500</b>	<b>1,441,500</b>	<b>1,561,438</b>	<b>119,938</b>
<b>Expenditures</b>				
Culture and Recreation	1,150,061	1,241,061	1,199,269	41,792
Capital Outlay	290,000	264,000	220,549	43,451
<b>Total Expenditures</b>	<b>1,440,061</b>	<b>1,505,061</b>	<b>1,419,818</b>	<b>85,243</b>
Net Change in Fund Balance	(63,561)	(63,561)	141,620	205,181
<b>Fund Balance, Beginning of Year</b>	<b>352,922</b>	<b>352,922</b>	<b>430,278</b>	<b>77,356</b>
<b>Fund Balance, End of Year</b>	<b>\$ 289,361</b>	<b>\$ 289,361</b>	<b>\$ 571,898</b>	<b>\$ 282,537</b>

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

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## **Budgetary Comparison Schedule Conservation Trust Fund For the Year Ended December 31, 2018**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$ 93,000	\$ 116,479	\$ 23,479
Interest	400	1,523	1,123
Total Revenues	<u>93,400</u>	<u>118,002</u>	<u>24,602</u>
<b>Expenditures</b>			
Culture and Recreation	35,968	35,968	-
Capital Outlay	<u>74,032</u>	<u>61,679</u>	<u>12,353</u>
Total Expenditures	<u>110,000</u>	<u>97,647</u>	<u>12,353</u>
Net Change in Fund Balance	(16,600)	20,355	36,955
<b>Fund Balance, Beginning of Year</b>	<u>34,975</u>	<u>68,587</u>	<u>33,612</u>
<b>Fund Balance, End of Year</b>	<u>\$ 18,375</u>	<u>\$ 88,942</u>	<u>\$ 70,567</u>

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

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## **Budgetary Comparison Schedule**

### **Library Donations Fund**

#### **For the Year Ended December 31, 2018**

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	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 31,000	\$ 31,000	\$ 11,927	\$ (19,073)
Interest	250	250	672	422
Contributions and Donations	6,500	6,500	6,890	390
<b>Total Revenues</b>	<b>37,750</b>	<b>37,750</b>	<b>19,489</b>	<b>(18,261)</b>
<b>Expenditures</b>				
Culture and Recreation	38,700	33,700	7,597	26,103
Capital Outlay	-	5,000	5,000	-
<b>Total Expenditures</b>	<b>38,700</b>	<b>38,700</b>	<b>12,597</b>	<b>26,103</b>
Net Change in Fund Balance	(950)	(950)	6,892	7,842
<b>Fund Balance, Beginning of Year</b>	<b>23,062</b>	<b>23,062</b>	<b>30,383</b>	<b>7,321</b>
<b>Fund Balance, End of Year</b>	<b>\$ 22,112</b>	<b>\$ 22,112</b>	<b>\$ 37,275</b>	<b>\$ 15,163</b>

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

## **Budgetary Comparison Schedule Museum Donations Fund For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Interest	\$ 900	\$ 2,089	\$ 1,189
Other	-	-	-
Contributions and Donations	7,000	4,831	(2,169)
<b>Total Revenues</b>	<b>7,900</b>	<b>6,920</b>	<b>(980)</b>
<b>Expenditures</b>			
Culture and Recreation	3,000	1,610	1,390
<b>Total Expenditures</b>	<b>3,000</b>	<b>1,610</b>	<b>1,390</b>
Excess of Revenues Over (Under) Expenditures	4,900	5,310	410
<b>Other Financing (Uses)</b>			
Transfers Out	(52,000)	(884)	51,116
Net Change in Fund Balance	(47,100)	4,426	51,526
<b>Fund Balance, Beginning of Year</b>	<b>109,697</b>	<b>109,773</b>	<b>76</b>
<b>Fund Balance, End of Year</b>	<b>\$ 62,597</b>	<b>\$ 114,199</b>	<b>\$ 51,602</b>

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

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## **Budgetary Comparison Schedule Excess Special Improvement District Fund For the Year Ended December 31, 2018**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest	\$ 3,200	\$ 5,957	\$ 2,757
Total Revenues	<u>3,200</u>	<u>5,957</u>	<u>2,757</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	18,701	18,992	291
Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,701</u>	<u>3,992</u>	<u>291</u>
Net Change in Fund Balance	6,901	9,949	3,048
<b>Fund Balance, Beginning of Year</b>	<u>300,238</u>	<u>327,353</u>	<u>27,115</u>
<b>Fund Balance, End of Year</b>	<u>\$ 307,139</u>	<u>\$ 337,302</u>	<u>\$ 30,163</u>

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

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## **Budgetary Comparison Schedule**

### **Stormwater Utility Fund**

### **For the Year Ended December 31, 2018**

---

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 147,500	\$ 147,500	\$ -
Charges for Services	792,700	979,600	1,036,188	56,588
Interest	4,000	4,000	6,337	2,337
Other	9,000	9,000	50,387	41,387
Total Revenues	<u>805,700</u>	<u>1,140,100</u>	<u>1,240,412</u>	<u>100,312</u>
<b>Expenditures</b>				
Stormwater Operations	337,510	551,610	543,996	7,614
Capital Outlay	- 800	800	729	71
Transfers Out	<u>620,600</u>	<u>740,100</u>	<u>740,100</u>	<u>-</u>
Total Expenditures	<u>958,110</u>	<u>1,292,510</u>	<u>1,284,825</u>	<u>7,685</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ (152,410)</u>	<u>\$ (152,410)</u>	<u>\$ (44,413)</u>	<u>\$ 107,997</u>
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Depreciation			(110,558)	
Capital Outlay			729	
Developer Contributions			<u>8,750</u>	
<b>Change in Net Position, GAAP Basis</b>			<u>\$ (145,492)</u>	

See the accompanying independent auditors' report.

# **CITY OF CAÑON CITY, COLORADO**

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## **Budgetary Comparison Schedule**

### **Insurance Internal Service Fund**

#### **For the Year Ended December 31, 2018**

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	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Charges for Services	\$ 2,235,600	\$ 2,235,600	\$ 2,183,806	\$ (51,794)
Interest	10,000	10,000	26,375	16,375
<b>Total Revenues</b>	<b><u>2,245,600</u></b>	<b><u>2,245,600</u></b>	<b><u>2,210,181</u></b>	<b><u>(35,419)</u></b>
<b>Expenditures</b>				
Claims	1,770,850	1,838,350	1,837,999	351
Premiums	334,700	324,450	321,613	2,837
Administration Fees	130,810	151,360	144,964	6,396
<b>Total Expenditures</b>	<b><u>2,236,360</u></b>	<b><u>2,314,160</u></b>	<b><u>2,304,576</u></b>	<b><u>9,584</u></b>
<b>Change in Net Position, Budgetary and GAAP Basis</b>	<b><u>\$ 9,240</u></b>	<b><u>\$ (68,560)</u></b>	<b><u>\$ (94,395)</u></b>	<b><u>\$ (25,835)</u></b>

See the accompanying independent auditors' report.

## STATISTICAL SECTION

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

CONTENTS	PAGES
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>72-83</b>
<b>Revenue Capacity</b> These tables contain information to help the reader assess the City's most significant revenue sources.	<b>84-99</b>
<b>Debt Capacity</b> These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future.	<b>100-106</b>
<b>Demographic and Economic Information</b> These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>107-111</b>
<b>Operating Information</b> These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>112-115</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

# CITY OF CAÑON CITY, COLORADO

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## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Unaudited)

(accrual basis of accounting)

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	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Governmental activities</b>					
Net investment in capital assets	\$ 28,017,638	\$ 27,111,836	\$ 27,055,940	\$ 27,249,621	\$ 25,273,593
<b>Restricted for:</b>					
Cemetery Perpetual Care - nonexpendable	1,830,005	1,860,900	1,881,338	1,905,732	1,926,730
Emergencies	238,263	239,545	246,227	247,246	249,556
Public safety	14,652	12,837	12,205	9,761	9,777
Culture and Recreation	204,854	273,719	223,104	269,109	226,808
Debt Service	221,791	175,037	273,461	135,841	95,951
Unrestricted	4,561,944	4,926,091	5,510,222	6,013,144	6,158,731
<b>Total governmental activities net position</b>	<b>35,089,147</b>	<b>34,599,965</b>	<b>35,202,497</b>	<b>35,830,454</b>	<b>33,941,146</b>
<b>Business-type activities</b>					
Net investment in capital assets	27,295,224	26,820,316	26,880,924	27,374,668	28,152,215
Unrestricted	6,491,084	7,791,327	8,583,796	8,279,150	7,116,891
<b>Total business-type activities net position</b>	<b>33,786,308</b>	<b>34,611,643</b>	<b>35,464,720</b>	<b>35,653,818</b>	<b>35,269,106</b>

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**TABLE 1**

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<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 46,575,092	\$ 50,156,551	\$ 50,472,851	\$ 57,696,290	\$ 62,253,191
1,951,142	1,975,412	1,996,779	2,037,685	2,102,974
260,267	268,253	278,747	302,055	318,440
33,260	22,173	23,765	24,777	22,766
183,399	139,384	163,205	162,424	191,337
84,873	99,266	83,089	27,918	11,563
<u>7,793,247</u>	<u>9,291,929</u>	<u>10,620,163</u>	<u>7,538,427</u>	<u>10,355,793</u>
<u>56,881,280</u>	<u>61,952,968</u>	<u>63,638,599</u>	<u>67,789,576</u>	<u>75,256,064</u>
28,039,979	28,281,711	27,400,608	27,798,118	27,723,414
7,356,665	7,196,834	8,616,402	8,034,868	8,314,748
<u>35,396,644</u>	<u>35,478,545</u>	<u>36,017,010</u>	<u>35,832,986</u>	<u>36,038,162</u>

# CITY OF CAÑON CITY, COLORADO

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## NET POSITION BY COMPONENT (continued)

### LAST TEN FISCAL YEARS

(Unaudited)

(accrual basis of accounting)

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	Fiscal Year				
	2009	2010	2011	2012	2013
Primary government					
Net investment in capital assets	55,312,862	53,932,152	53,936,864	54,624,289	53,425,808
Restricted for:					
Cemetery Perpetual Care - nonexpendable	1,830,005	1,860,900	1,881,338	1,905,732	1,926,730
Emergencies	238,263	239,545	246,227	247,246	249,556
Public Safety	14,652	12,837	12,205	9,761	9,777
Culture and Recreation	204,854	273,719	223,104	269,109	226,808
Debt Service	221,791	175,037	273,461	135,841	95,951
Unrestricted	<u>11,053,028</u>	<u>12,717,418</u>	<u>14,094,018</u>	<u>14,292,294</u>	<u>13,275,622</u>
Total primary government net position	<u><u>\$ 68,875,455</u></u>	<u><u>\$ 69,211,608</u></u>	<u><u>\$ 70,667,217</u></u>	<u><u>\$ 71,484,272</u></u>	<u><u>\$ 69,210,252</u></u>

Source: City of Canon City, Colorado, audited financial statements, 2009-2018.

Note: The City adopted GASB Statement No. 65 for the year ended December 31, 2013.

The City adopted GASB Statement No. 68 for the year ended December 31, 2015.

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**TABLE 1**

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<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
74,615,071	78,438,262	77,873,459	85,494,408	89,976,605
1,951,142	1,975,412	1,996,779	2,037,685	2,102,974
260,267	268,253	278,747	302,055	318,440
33,260	22,173	23,765	24,777	22,766
183,399	139,384	163,205	162,424	191,337
84,873	99,266	83,089	27,918	11,563
<u>15,149,912</u>	<u>16,488,763</u>	<u>19,236,565</u>	<u>15,573,295</u>	<u>18,670,541</u>
<u>\$ 92,277,924</u>	<u>\$ 97,431,513</u>	<u>\$ 99,655,609</u>	<u>\$ 103,622,562</u>	<u>\$ 111,294,226</u>

# CITY OF CAÑON CITY, COLORADO

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Unaudited)

(accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
<b>Expenses</b>				
Governmental Activities				
General Government	\$ 2,527,950	\$ 2,589,102	\$ 2,412,572	\$ 2,516,575
Public Safety	3,787,887	3,690,660	3,557,465	3,909,411
Public Works	2,471,088	2,669,783	2,465,512	2,559,669
Culture and Recreation	2,373,725	2,441,737	2,536,150	2,569,102
Interest on Long-term Debt	10,598	8,253	4,200	7,550
Total Governmental Activities Expenses	<u>11,171,248</u>	<u>11,399,535</u>	<u>10,975,899</u>	<u>11,562,307</u>
Business-type Activities				
Water	4,689,537	5,272,375	5,412,055	5,764,390
Stormwater Utility	418,861	429,153	407,764	572,399
Canon City Finance Authority	185,014	180,173	175,544	163,055
Total Business-type Activities Expenses	<u>5,293,412</u>	<u>5,881,701</u>	<u>5,995,363</u>	<u>6,499,844</u>
Total Primary Government Expenses	<u><u>\$ 16,464,660</u></u>	<u><u>\$ 17,281,236</u></u>	<u><u>\$ 16,971,262</u></u>	<u><u>\$ 18,062,151</u></u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 222,619	\$ 211,445	\$ 219,072	\$ 272,919
Public Safety	273,269	332,655	314,490	295,914
Public Works	179,268	45,190	59,965	36,656
Culture and Recreation	223,617	306,218	259,471	238,485
Operating Grants and Contributions	884,632	862,948	1,079,215	843,263
Capital Grants and Contributions	992,449	694,981	731,866	1,244,601
Total Governmental Activities Program Revenues	<u>2,775,854</u>	<u>2,453,437</u>	<u>2,664,079</u>	<u>2,931,838</u>
Business-type Activities				
Water	5,219,673	5,915,525	6,027,963	6,114,574
Stormwater Utility	774,033	778,571	791,893	962,435
Canon City Finance Authority	239,983	241,591	241,892	237,082
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	1,317,516	60,950	89,997	111,528
Total Business-type Activities Program Revenues	<u>7,551,205</u>	<u>6,996,637</u>	<u>7,151,745</u>	<u>7,425,619</u>
Total Primary Government Revenues	<u><u>\$ 10,327,059</u></u>	<u><u>\$ 9,450,074</u></u>	<u><u>\$ 9,815,824</u></u>	<u><u>\$ 10,357,457</u></u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (8,395,394)	\$ (8,946,098)	\$ (8,311,820)	\$ (8,630,469)
Business-type Activities	2,257,793	1,114,936	1,156,382	925,775
Total Primary Government Net Expense	<u><u>\$ (6,137,601)</u></u>	<u><u>\$ (7,831,162)</u></u>	<u><u>\$ (7,155,438)</u></u>	<u><u>\$ (7,704,694)</u></u>

**TABLE 2**

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 2,444,384	\$ 2,454,861	\$ 2,525,751	\$ 2,667,946	\$ 3,305,686	\$ 3,743,706	
3,871,625	3,537,391	3,597,392	3,909,543	4,460,327	4,312,632	
2,575,407	2,824,019	2,789,143	2,681,027	3,069,511	3,399,296	
2,424,779	1,804,892	3,174,986	3,379,935	3,229,441	3,555,067	
31,528	46,799	41,255	36,512	91,028	144,815	
<u>11,347,723</u>	<u>10,667,962</u>	<u>12,128,527</u>	<u>12,674,963</u>	<u>14,155,993</u>	<u>15,155,516</u>	
5,789,256	6,280,169	5,749,551	5,650,774	5,819,458	6,330,927	
369,222	550,073	467,642	408,173	662,717	654,554	
109,512	-	-	-	-	-	
<u>6,267,990</u>	<u>6,830,242</u>	<u>6,217,193</u>	<u>6,058,947</u>	<u>6,482,175</u>	<u>6,985,481</u>	
<u>\$ 17,615,713</u>	<u>\$ 17,498,204</u>	<u>\$ 18,345,720</u>	<u>\$ 18,733,910</u>	<u>\$ 20,638,168</u>	<u>\$ 22,140,997</u>	
\$ 332,916	\$ 255,882	\$ 212,959	\$ 197,812	\$ 405,555	\$ 422,448	
282,369	353,534	288,423	358,712	335,441	272,064	
22,622	29,796	29,792	24,650	146,056	121,184	
194,226	222,109	222,312	218,538	274,745	274,710	
865,731	977,913	820,047	829,770	800,709	983,724	
1,067,004	<u>22,339,827</u>	<u>4,446,799</u>	<u>1,676,654</u>	<u>893,688</u>	<u>4,099,710</u>	
2,764,868	<u>24,179,061</u>	<u>6,020,332</u>	<u>3,306,136</u>	<u>2,856,194</u>	<u>6,173,840</u>	
5,693,717	5,738,437	5,745,655	6,007,315	5,864,244	6,452,663	
798,769	801,538	802,310	806,851	898,771	1,086,575	
43,308	-	-	-	-	-	
171,516	751,852	128,615	-	-	147,500	
82,565	<u>123,501</u>	<u>53,500</u>	<u>187,300</u>	<u>248,000</u>	<u>307,699</u>	
<u>6,789,875</u>	<u>7,415,328</u>	<u>6,730,080</u>	<u>7,001,466</u>	<u>7,011,015</u>	<u>7,994,437</u>	
<u>\$ 9,554,743</u>	<u>\$ 31,594,389</u>	<u>\$ 12,750,412</u>	<u>\$ 10,307,602</u>	<u>\$ 9,867,209</u>	<u>\$ 14,168,277</u>	
\$ (8,582,855)	\$ 13,511,099	\$ (6,108,195)	\$ (9,368,827)	\$ (11,299,799)	\$ (8,981,676)	
521,885	585,086	512,887	942,519	528,840	1,008,956	
<u>\$ (8,060,970)</u>	<u>\$ 14,096,185</u>	<u>\$ (5,595,308)</u>	<u>\$ (8,426,308)</u>	<u>\$ (10,770,959)</u>	<u>\$ (7,972,720)</u>	

# **CITY OF CAÑON CITY, COLORADO**

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## **CHANGES IN NET POSITION (Continued)** **LAST TEN FISCAL YEARS** **(Unaudited)**

**(accrual basis of accounting)**

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	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes	\$ 398,500	\$ 445,501	\$ 440,571	\$ 434,508
Sales and Use Taxes	5,139,136	5,211,532	5,239,514	5,478,503
Other Taxes	12,371	11,857	17,736	14,190
Franchise Taxes	670,120	656,799	714,621	790,382
Grants and Contributions not Restricted	292,010	275,293	290,551	297,084
Royal Gorge Bridge Revenues	1,703,414	1,679,694	1,680,695	1,681,688
Investment Earnings	78,784	61,221	42,013	40,536
Other Revenues	103,768	77,161	167,651	186,133
Gain on Sale of Capital Assets	-	-	-	-
Extraordinary Item	-	-	-	-
Transfers	<u>371,000</u>	<u>321,000</u>	<u>321,000</u>	<u>335,400</u>
Total Governmental Activities	<u>8,769,103</u>	<u>8,740,058</u>	<u>8,914,352</u>	<u>9,258,424</u>
Business-type Activities:				
Unrestricted Grants and Contributions	-	-	-	-
Investment Earnings	37,132	31,399	17,695	19,454
Gain on Sale of Capital Assets	-	-	-	-
Transfers	<u>(371,000)</u>	<u>(321,000)</u>	<u>(321,000)</u>	<u>(335,400)</u>
Total Business-type Activities	<u>(333,868)</u>	<u>(289,601)</u>	<u>(303,305)</u>	<u>(315,946)</u>
Total Primary Government	<u>\$ 8,435,235</u>	<u>\$ 8,450,457</u>	<u>\$ 8,611,047</u>	<u>\$ 8,942,478</u>
<b>Change in Net Position</b>				
Government Activities	\$ 373,709	\$ (206,040)	\$ 602,532	\$ 627,955
Business-type Activities	1,923,925	825,335	853,077	609,829
Total Primary Government	<u>\$ 2,297,634</u>	<u>\$ 619,295</u>	<u>\$ 1,455,609</u>	<u>\$ 1,237,784</u>

**Source: City of Canon City, Colorado, audited financial statements, 2009-2018.**

Notes: (1) On June 11, 2013, a wildfire broke out in the City-owned Royal Gorge Park. The fire destroyed virtually all City-owned buildings and structures within the portion of the park that the City leases to the Royal Gorge Bridge Company of Colorado. The depreciated value of the destroyed City-owned capital assets were removed from the City's 2013 financial statements resulting in an extraordinary loss in the Governmental Activities.

(2) A significant portion (\$21,604,316) of the increase to the net position of the governmental activities is attributable to the post-fire reconstruction of buildings and improvements during 2014 within the Royal Gorge Bridge and Park.

(3) In 2014 Certificates of Participation issued by Cañon City Finance Authority were paid in full.

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**TABLE 2**

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<b>Fiscal Year</b>						
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	
\$ 436,009	\$ 430,871	\$ 426,772	\$ 439,004	\$ 451,420	\$ 452,830	
5,613,219	5,886,441	6,291,664	6,540,451	10,310,359	10,838,128	
19,771	13,831	31,747	18,262	24,825	28,780	
754,285	797,459	802,527	800,723	777,740	786,863	
260,251	290,581	263,603	276,061	273,019	290,790	
1,346,351	1,347,351	2,130,552	2,387,470	2,532,623	2,714,331	
35,357	27,980	29,821	71,961	183,090	319,102	
176,568	167,721	178,667	76,826	96,100	64,340	
-	-	-	-	-	-	
(2,865,998)	-	-	-	-	-	
917,734	466,800	443,700	443,700	801,600	953,000	
<u>6,693,547</u>	<u>9,429,035</u>	<u>10,599,053</u>	<u>11,054,458</u>	<u>15,450,776</u>	<u>16,448,164</u>	
-	-	-	-	-	-	
11,137	9,252	12,714	39,646	88,736	149,220	
-	-	-	-	-	-	
(917,734)	(466,800)	(443,700)	(443,700)	(801,600)	(953,000)	
<u>(906,597)</u>	<u>(457,548)</u>	<u>(430,986)</u>	<u>(404,054)</u>	<u>(712,864)</u>	<u>(803,780)</u>	
<u>\$ 5,786,950</u>	<u>\$ 8,971,487</u>	<u>\$ 10,168,067</u>	<u>\$ 10,650,404</u>	<u>\$ 14,737,912</u>	<u>\$ 15,644,384</u>	
\$ (1,889,308)	\$ 22,940,134	\$ 4,490,858	\$ 1,685,631	\$ 4,150,977	\$ 7,466,488	
<u>(384,712)</u>	<u>127,538</u>	<u>81,901</u>	<u>538,465</u>	<u>(184,024)</u>	<u>205,176</u>	
<u>\$ (2,274,020)</u>	<u>\$ 23,067,672</u>	<u>\$ 4,572,759</u>	<u>\$ 2,224,096</u>	<u>\$ 3,966,953</u>	<u>\$ 7,671,664</u>	

# CITY OF CAÑON CITY, COLORADO

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## FUND BALANCES, GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

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	Fiscal Year				
	2009	2010	2011	2012	2013
<b>General Fund</b>					
Nonspendable:	\$ 125,520	\$ 153,486	\$ 125,143	\$ 123,052	\$ 123,538
Restricted	238,263	239,545	246,227	247,246	630,479
Committed	472,643	527,766	690,285	333,501	456,186
Assigned	934,450	906,959	1,088,541	1,550,381	1,497,635
Unassigned	1,732,255	2,242,614	2,367,918	2,966,194	2,933,037
<b>Total general fund</b>	<b>\$ 3,503,131</b>	<b>\$ 4,070,370</b>	<b>\$ 4,518,114</b>	<b>\$ 5,220,374</b>	<b>\$ 5,640,875</b>
 <b>Street Improvement Fund</b>					
Unassigned (a)	-	-	-	-	-
<b>Total street improvement fund</b>	<b>\$ -</b>				
 <b>All Other Governmental Funds</b>					
Nonspendable:	\$ 1,865,157	\$ 1,895,288	\$ 1,916,733	\$ 1,944,263	\$ 1,958,428
Restricted	441,297	461,593	508,770	414,711	332,536
Assigned	707,923	667,532	637,941	649,809	1,008,294
<b>Total all other governmental funds</b>	<b>\$ 3,014,377</b>	<b>\$ 3,024,413</b>	<b>\$ 3,063,444</b>	<b>\$ 3,008,783</b>	<b>\$ 3,299,258</b>

**Source: City of Canon City, Colorado, audited financial statements, 2009-2018.**

#### Notes:

(a) In 2016 voters passed Referendum 2A allowing City Council to increase sales tax from 2% to 3% effective January 1, 2017. The additional 1% sales tax collected is for improving City streets. The negative unassigned fund balance in the Street Improvement Fund is because a \$5,000,000 interfund loan was received for street improvement projects. The interfund loan will be repaid from future sales and use tax revenues, which will eliminate the negative fund balance.

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**TABLE 3**

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<b>Fiscal Year</b>					
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	
\$ 124,856	\$ 132,938	\$ 105,649	\$ 1,096,509	\$ 999,565	
283,735	280,615	292,643	316,859	331,811	
574,233	692,307	711,832	721,351	716,575	
1,851,105	2,082,151	4,598,958	2,941,251	4,209,427	
4,014,470	4,349,153	3,008,801	3,237,837	3,379,467	
<b>\$ 6,848,399</b>	<b>\$ 7,537,164</b>	<b>\$ 8,717,883</b>	<b>\$ 8,313,807</b>	<b>\$ 9,636,845</b>	
<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,470,647)</b>	<b>(1,595,293)</b>	
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,470,647)</b>	<b>\$ (1,595,293)</b>	
\$ 1,991,569	\$ 1,985,389	\$ 2,007,085	\$ 2,052,490	\$ 2,112,727	
278,064	248,461	256,163	200,315	212,295	
790,919	808,806	1,128,367	1,461,583	944,526	
<b>\$ 3,060,552</b>	<b>\$ 3,042,656</b>	<b>\$ 3,391,615</b>	<b>\$ 3,714,388</b>	<b>\$ 3,269,548</b>	

# CITY OF CAÑON CITY, COLORADO

## CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited) (modified accrual basis of accounting)

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Revenues:</b>					
Taxes and Assessments	\$ 6,253,478	\$ 6,395,570	\$ 6,466,213	\$ 6,752,643	\$ 6,864,398
Licenses and Permits	153,807	165,025	191,730	200,396	254,992
Intergovernmental	1,251,841	1,466,546	1,700,522	1,584,268	2,129,372
Charges for Services	346,935	205,828	219,872	204,644	287,001
Fines and Forfeitures	181,497	245,281	228,429	202,302	199,348
Royal Gorge Bridge	1,703,414	1,679,694	1,680,695	1,681,688	1,346,351
Interest	68,088	54,076	38,157	37,054	33,689
Rent	118,302	97,664	84,953	86,969	90,792
Contributions & Donations	-	-	-	-	34,235
Other	328,374	324,093	411,674	460,006	176,568
<b>Total Revenues</b>	<b>10,405,736</b>	<b>10,633,777</b>	<b>11,022,245</b>	<b>11,209,970</b>	<b>11,416,746</b>
<b>Expenditures:</b>					
General Government	2,411,155	2,326,354	2,303,510	2,362,557	2,249,376
Public Safety	3,696,646	3,439,078	3,441,605	3,588,535	3,584,951
Public Works	1,606,989	1,713,661	1,565,388	1,575,822	1,610,948
Culture and Recreation	2,026,787	1,987,315	2,110,996	1,973,393	1,999,666
Capital Outlay					
Streets (a)	-	-	-	-	-
Other	1,194,543	774,727	1,545,011	1,351,574	1,932,855
Debt Service					
Principal	138,534	152,287	27,000	42,000	216,000
Interest	13,228	10,127	4,200	7,550	27,881
Debt Issuance Costs	-	-	-	-	58,198
<b>Total Expenditures</b>	<b>11,087,882</b>	<b>10,403,549</b>	<b>10,997,710</b>	<b>10,901,431</b>	<b>11,679,875</b>
Excess of Revenues over (under) Expenditures	(682,146)	230,228	24,535	308,539	(263,129)
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	-	4,047	32,240	3,660	-
Issuance of Debt	40,000	22,000	109,000	-	2,310,000
Insurance Recoveries	-	-	-	-	89,244
Transfers In	468,538	416,779	433,951	695,899	561,253
Transfers Out	(97,538)	(95,779)	(112,951)	(360,499)	(1,986,392)
<b>Total Other Financing Sources (Uses)</b>	<b>411,000</b>	<b>347,047</b>	<b>462,240</b>	<b>339,060</b>	<b>974,105</b>
Net Change in Fund Balances	<b>\$ (271,146)</b>	<b>\$ 577,275</b>	<b>\$ 486,775</b>	<b>\$ 647,599</b>	<b>\$ 710,976</b>
Debt Service as a percentage of noncapital expenditures	1.6%	1.7%	0.3%	0.5%	2.6%

**Source: City of Cañon City, audited financial statements, 2009-2018.**

Notes:

(a) In 2016 voters passed Referendum 2A allowing City Council to increase sales tax from 2% to 3% effective January 1, 2017. The additional 1% sales tax collected is for improving City streets.

**TABLE 4**

<b>Fiscal Year</b>					
<b>2014</b>		<b>2015</b>		<b>2016</b>	
\$ 7,172,454	\$ 7,581,049	\$ 7,811,515	\$ 11,572,187	\$ 12,111,463	
178,131	172,299	155,126	353,377	476,835	
2,167,225	1,189,731	1,716,151	1,256,891	2,908,361	
357,850	319,616	305,185	413,992	340,068	
226,108	150,723	212,101	192,601	101,843	
1,347,351	2,130,552	2,387,470	2,532,623	2,714,330	
26,159	27,143	63,531	167,400	292,727	
99,232	110,848	127,300	173,383	198,027	
81,818	26,012	43,230	27,715	63,366	
151,794	163,596	76,827	96,100	64,342	
<b>11,808,122</b>	<b>11,871,569</b>	<b>12,898,436</b>	<b>16,786,269</b>	<b>19,271,362</b>	
2,394,491	2,406,151	2,536,948	3,166,582	3,498,475	
3,664,306	3,683,567	3,676,267	4,340,891	4,462,689	
2,005,270	1,918,862	1,739,921	2,221,453	2,309,758	
1,595,797	1,794,676	1,925,932	1,942,606	2,098,575	
-	-	-	7,558,612	3,030,575	
1,389,999	1,603,605	1,682,556	1,605,292	2,144,257	
225,000	231,000	214,000	213,000	212,000	
47,168	41,608	36,834	91,383	145,170	
-	-	-	-	-	
<b>11,322,031</b>	<b>11,679,469</b>	<b>11,812,458</b>	<b>21,139,819</b>	<b>17,901,499</b>	
486,091	192,100	1,085,978	(4,353,550)	1,369,863	
15,927	15,069	-	-	430,689	
-	20,000	-	-	-	
-	-	-	-	-	
607,555	489,692	471,055	887,965	1,127,876	
(140,755)	(45,992)	(27,355)	(86,365)	(174,876)	
<b>482,727</b>	<b>478,769</b>	<b>443,700</b>	<b>801,600</b>	<b>1,383,689</b>	
<b>\$ 968,818</b>	<b>\$ 670,869</b>	<b>\$ 1,529,678</b>	<b>\$ (3,551,950)</b>	<b>\$ 2,753,552</b>	
2.8%	2.8%	2.5%	2.6%	2.9%	

# **CITY OF CAÑON CITY, COLORADO**

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## **ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (Unaudited)**

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Levy Year	Vacant Land	Residential Property	Commercial Property (b)	Industrial Property	Agricultural Property	Natural Resources
2009	7,196,170	68,464,200	53,878,260	2,725,270	225,120	25,930
2010	7,512,000	68,661,710	53,843,720	2,549,190	218,630	21,980
2011	6,933,510	66,802,500	52,409,201	2,482,410	250,820	224,890
2012	6,706,040	67,032,690	52,147,401	2,256,400	258,600	208,360
2013	6,352,190	63,239,130	51,701,986	2,008,278	277,430	273,193
2014	5,890,990	63,162,230	52,352,941	2,277,016	277,450	209,258
2015	5,599,800	64,421,260	52,651,377	2,425,369	310,280	161,179
2016	5,636,980	64,481,370	52,073,565	2,187,052	311,560	154,719
2017	5,970,890	65,330,161	52,811,678	2,068,246	337,267	213,058
2018	5,923,329	66,233,783	54,004,989	2,277,998	334,711	110,281

**Source: Fremont County Assessor.**

Note: Property in Fremont County is revalued every odd numbered year. The assessment rate is 29 percent of actual value for all properties except residential and producing natural resource properties. The residential assessment rate is established by the State legislature every odd-numbered year in order to maintain the tax burden balance between residential properties and other properties. The 2018 assessment rate for residential properties is 7.20 percent. Tax rates are per \$1,000 of assessed value.

(a) Total Direct Tax Rate equals Mill Levy. Mill levy is property tax revenue divided by total assessed value.

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**TABLE 5**

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State Assessed	Total Taxable Assessed Value	Total Direct Tax Rate (a)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
7,261,410	139,776,360	2.89	1,135,087,602	12.31%
6,199,615	139,006,845	2.89	1,131,707,073	12.28%
7,350,230	136,453,561	2.90	1,124,946,812	12.13%
7,012,340	135,621,831	2.89	1,125,155,335	12.05%
9,747,786	133,599,993	2.90	1,028,552,826	12.99%
7,977,991	132,147,876	2.90	1,024,549,147	12.90%
9,318,862	134,888,127	2.90	1,042,524,630	12.94%
10,470,807	135,316,053	2.90	1,044,590,804	12.95%
10,519,209	137,250,509	2.90	1,144,086,852	12.00%
10,919,347	139,804,438	2.89	1,160,526,810	12.05%

# **CITY OF CAÑON CITY, COLORADO**

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## **DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS**

(rate per \$1,000 of assessed value)

**(Unaudited)**

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Year	City Basic		Overlapping Rates(b)		
	Rate(a)		Overlapping Rates(b)		
	City of Cañon	Fremont	Fremont	County	Cañon
2009	2.89	12.43	35.67		13.00
2010	2.89	12.48	35.65		13.00
2011	2.90	12.97	35.80		13.00
2012	2.89	12.92	35.77		13.00
2013	2.90	12.92	35.77		13.00
2014	2.90	12.95	35.42		17.73
2015	2.90	12.32	35.17		17.73
2016	2.91	12.42	35.16		17.76
2017	2.90	12.45	41.20		17.73
2018	2.89	12.31	46.45		18.48

**Source: Colorado Department of Local Affairs annual report: Property Tax Entities by County**

**Notes:**

- (a) The City's basic property tax rate, except for taxes abated and refunded, may be increased only by a majority vote of the City of Cañon City residents.
- (b) Overlapping rates are those of local and county governments that apply to property owners of the City of Cañon City.
- (c) Voter approved property tax increase in 2014.
- (d) The City of Cañon City does not rely on property taxes as a major source of funding for governmental activities. The City's property tax rate is over 62.3% lower than the statewide average municipal mill levy.
- (e) Voter approved property tax increase in 2017.
- (f) Voter approved property tax increase in 2018.

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**TABLE 6**

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<b>Overlapping Rates(b)</b>			
Cañon City Recreation District	S.E. Colorado Water Cons. District	Upper Arkansas Water Cons.	Total
3.52	0.94	0.45	68.90
3.51	0.95	0.45	68.93
3.52	0.95	0.50	69.64
3.52	0.94	0.48	69.52
3.52	0.94	0.48	69.53
3.53	0.94	0.48	73.95
3.52	0.94	0.47	73.05
3.53	0.94	0.48	73.20
3.52	0.94	0.48	79.22
3.52	0.91	0.48	85.04

# CITY OF CAÑON CITY, COLORADO

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS (Unaudited)

TABLE 7

Levy Year	Collection Year	Collected Within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections	
		Total Tax Levy for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2008	2009	355,461	353,677	99.50%	117	353,794	99.53%
2009	2010	404,093	402,153	99.52%	1,354	403,507	99.85%
2010	2011	401,591	399,248	99.42%	449	399,697	99.53%
2011	2012	395,851	394,642	99.69%	759	395,401	99.89%
2012	2013 (a)	392,489	393,136	100.16%	532	393,668	100.30%
2013	2014	387,707	385,726	99.49%	-	385,726	99.49%
2014	2015	383,361	379,698	99.04%	1,129	380,827	99.34%
2015	2016	391,715	389,323	99.39%	260	389,583	99.46%
2016	2017 (a)	393,436	393,727	100.07%	-	393,727	100.07%
2017	2018	397,889	395,499	99.40%	517	396,016	99.53%

Source: Fremont County Treasurer and Cañon City Municipal Clerk

Notes:

(a) Due to a distribution error by Fremont County, the City received property taxes in excess of the taxes levied.



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# CITY OF CAÑON CITY, COLORADO

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## GENERAL REVENUES-TAXES BY CATEGORY

### LAST TEN FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

---

	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Sales Tax (a)	\$ 5,049,112	\$ 5,107,654	\$ 5,127,379	\$ 5,272,864	\$ 5,442,106
General Property Tax	347,226	394,227	392,591	387,218	384,554
Specific Ownership Tax	51,274	51,274	47,980	47,290	51,455
Use Tax	90,024	103,878	112,135	205,639	171,113
Franchise Taxes:					
Cablevision	103,881	112,632	121,486	126,954	126,848
Telephone	20,747	18,218	16,161	14,728	13,635
Electricity	367,162	381,466	434,789	494,428	478,000
Gas	178,330	144,483	142,185	124,809	135,802
Penalty & Interest on Tax	<u>12,371</u>	<u>11,857</u>	<u>17,736</u>	<u>14,190</u>	<u>19,773</u>
Total	<u><u>\$ 6,220,127</u></u>	<u><u>\$ 6,325,689</u></u>	<u><u>\$ 6,412,442</u></u>	<u><u>\$ 6,688,120</u></u>	<u><u>\$ 6,823,287</u></u>

Source: City of Canon City, Colorado, audited financial statements, 2009-2018.

(a) Cañon City voters approved a sales and use tax increase from 2.0 percent to 3.0 percent effective January 1, 2017. The new 1.0 percent sales and use tax is required to be used exclusively on street improvements.

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**TABLE 8**

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<b>Fiscal Year</b>					
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$	5,799,559	\$ 6,214,004	\$ 6,437,283	\$ 9,879,100	\$ 10,381,151
	376,803	370,706	380,914	384,394	386,293
	54,067	56,066	58,090	67,026	66,537
	86,882	77,660	103,168	431,259	456,977
	126,608	125,406	127,405	126,879	127,232
	12,309	13,853	10,466	9,504	6,717
	498,341	504,831	533,923	512,441	508,406
	160,202	158,438	128,929	128,916	144,508
	13,831	14,579	18,262	24,825	28,780
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$	<u>7,128,602</u>	<u>\$ 7,535,542</u>	<u>\$ 7,798,440</u>	<u>\$ 11,564,344</u>	<u>\$ 12,106,601</u>

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# **CITY OF CAÑON CITY, COLORADO**

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## **SALES TAX BY CATEGORY**

### **LAST TEN FISCAL YEARS**

**(Unaudited)**

(modified accrual basis of accounting)

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	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General Merchandise	\$ 1,068,482	\$ 1,033,750	\$ 1,020,142	\$ 1,019,605	\$ 1,010,236
Food Stores	1,044,113	1,051,886	1,091,007	1,111,862	1,146,225
Restaurants & Bars	572,997	573,849	580,840	612,023	617,536
Home Furnishings	75,822	86,480	79,962	78,734	73,909
Building Materials & Supplies	482,110	500,370	492,179	512,596	535,444
Auto Dealers & Parts/Supplies	607,820	665,198	643,835	676,527	708,905
Other Retail Stores	375,622	379,642	391,709	411,007	493,980
All Other Outlets	216,316	234,648	235,372	240,434	252,623
Hotel/Motel	77,917	74,803	70,301	71,642	68,429
Utility Service	<u>527,913</u>	<u>507,029</u>	<u>522,032</u>	<u>538,434</u>	<u>534,819</u>
 Total	 <u>\$ 5,049,112</u>	<u>\$ 5,107,655</u>	<u>\$ 5,127,379</u>	<u>\$ 5,272,864</u>	<u>\$ 5,442,106</u>
 City Direct Sales Tax Rate	 2.00%	 2.00%	 2.00%	 2.00%	 2.00%

**Source: City of Canon City, Colorado, audited financial statements, 2009-2018 and Sales Tax Subsidiary Records, 2009-2018.**

(a) Cañon City voters approved a sales and use tax increase from 2.0 percent to 3.0 percent effective January 1, 2017. The new 1.0 percent sales and use tax is required to be used exclusively on street improvements.

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**TABLE 9**

		<b>Fiscal Year</b>							
<b>2014</b>		<b>2015</b>		<b>2016</b>		<b>2017</b>			
\$	1,114,726	\$	1,126,612	\$	1,165,449	\$	1,655,771	\$	1,676,858
	1,159,484		1,221,314		1,270,504		2,164,190		2,277,781
	638,372		732,718		755,635		1,168,081		1,218,602
	69,736		81,045		75,886		110,145		119,318
	565,953		625,200		690,789		1,105,928		1,238,908
	796,958		885,208		867,037		1,311,795		1,441,069
	524,320		598,305		612,442		878,623		851,330
	281,333		283,102		306,209		477,091		502,245
	78,409		97,443		110,519		165,230		174,187
	570,268		563,057		582,813		842,246		880,853
\$	5,799,559	\$	6,214,004	\$	6,437,283	\$	9,879,100	\$	10,381,151
	2.00%		2.00%		2.00%		3.00%		3.00%

# CITY OF CAÑON CITY, COLORADO

## ROYAL GORGE BRIDGE LEASE REVENUES LAST TEN YEARS (Unaudited)

## TABLE 10

Year	Annual	
	Royal Gorge Bridge Lease Revenues	Royal Gorge Bridge & Park Attendance
2008	1,563,333	291,678
2009	1,703,414	311,673
2010	1,679,694	304,714
2011	1,680,695	305,758
2012	1,681,688	265,933
2013 (a)	1,346,351	84,645
2014	1,347,351	42,256
2015	2,130,552	333,697
2016	2,387,470	338,964
2017	2,532,623	358,005
2018	2,714,330	364,936

**Source: City of Cañon City, Colorado, audited financial statements, 2009-2018 and Royal Gorge Company of Colorado Year-End Review, 2009-2018.**

### Notes:

(1) The United States Congress granted the Royal Gorge Park, consisting of 5,300 acres, to the City of Cañon City in 1906. These lands are to be held by the City solely for park purposes and for the use and benefit of the public. In 1929, the Royal Gorge Bridge was constructed. This bridge is 1,053 feet above the Arkansas River and is the highest suspension bridge in the United States.

(2) A lease between the City and the Royal Gorge Company has been in effect since 1967. The leased premises include approximately 100 acres of land owned by the City, numerous shops serving food and beverages and selling merchandise, an aerial tramway, the Royal Rush Skycoaster, a zipline across the Royal Gorge and the famous Royal Gorge Bridge. Under the lease ("Bridge Rental Agreement"), the City receives 25% of all admission charges and 10% of the gross revenue from all sales of food, beverages and merchandise within the attraction. The Bridge Rental Agreement is renewable annually at the election of the Royal Gorge Company until October 31, 2026.

(a) On June 11, 2013 a wildfire broke out on the Royal Gorge Park property, destroying nearly all buildings and attractions. The Park remained closed for the remainder of 2013. On January 1, 2014, reconstruction began and the Park re-opened in August 2014.



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# **CITY OF CAÑON CITY, COLORADO**

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**WATER REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
**(accrual basis of accounting)**

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	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Water Revenues:</b>				
Charges for Services:				
Metered Water Sales by Type of Customer (a)	\$ 4,926,290	\$ 5,559,580	\$ 5,656,298	\$ 5,843,529
Water Sales to City Facilities	162,730	194,893	223,160	126,160
Hydrant Sales	6,134	4,384	3,552	5,185
Bulk Water Sales	46,118	52,022	64,317	64,370
Account Maintenance Fee (b)	18,425	8,215	295	245
Total Charges for Services	<u>5,159,697</u>	<u>5,819,094</u>	<u>5,947,622</u>	<u>6,039,490</u>
Tap Fees (d)	96,374	60,950	82,077	104,328
Interest Income	33,659	28,488	15,574	16,885
Other (c)	59,976	96,431	80,341	75,084
Transfer In	27,000	27,000	27,000	25,500
Developer Contributions	-	-	-	-
Total Water Revenues	<u><u>\$ 5,376,706</u></u>	<u><u>\$ 6,031,963</u></u>	<u><u>\$ 6,152,614</u></u>	<u><u>\$ 6,261,287</u></u>

**Source: City of Cañon City, Colorado, audited financial statements, 2009-2018 and Water Utility Billing Records, 2009-2018.**

- (a) Effective May 1, 2010, the City implemented a cost-based increasing block water rate schedule.
- (b) Effective May 1, 2010 monthly maintenance fee as described in (b) above was discontinued except for buildings under new construction. Water accounts where water is turned off began paying monthly meter charge which is included in Metered Water Sales.
- (c) A significant amount of grant revenue is included in the 2014 non-operating revenue. The City obtained a number of Federal and State grants to provide funding for emergency mitigation, stabilization and reclamation within the City's watershed for damage sustained from the 2013 Royal Gorge Fire.
- (d) Tap fees declined in 2015 due to the City's implementation of policies designed to stimulate the local economy. The

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**TABLE 11**

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<b>Fiscal Year</b>											
	<b>2013</b>		<b>2014</b>		<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018</b>
\$	5,377,864	\$	5,448,201	\$	5,507,312	\$	5,726,457	\$	5,545,757	\$	5,985,920
	123,842		122,206		116,934		116,776		115,259		191,819
	10,070		6,257		5,627		3,901		30,956		13,565
	55,319		53,432		50,830		75,423		85,201		143,904
	415		672		813		1,182		1,425		1,739
	<u>5,567,510</u>		<u>5,630,768</u>		<u>5,681,516</u>		<u>5,923,739</u>		<u>5,778,598</u>		<u>6,336,947</u>
	67,543		123,501		43,500		184,550		220,500		296,199
	9,455		7,873		11,137		35,169		82,269		142,883
	248,890		733,978		143,473		83,576		85,646		115,716
	22,200		22,200		22,200		22,200		39,400		180,900
	-		-		-		2,750		27,500		-
	<u>\$ 5,915,598</u>		<u>\$ 6,518,320</u>		<u>\$ 5,901,826</u>		<u>\$ 6,251,984</u>		<u>\$ 6,233,913</u>		<u>\$ 7,072,645</u>

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# CITY OF CAÑON CITY, COLORADO

## WATER SALES BY TYPE OF CUSTOMER LAST TEN FISCAL YEARS

**(Unaudited)**

(accrual basis of accounting)

	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Metered Water Sales by Type of Customer</b>					
Residential - Inside City limits	\$ 1,432,983	\$ 1,742,589	\$ 1,736,842	\$ 1,822,889	\$ 1,615,105
Residential - Outside City limits	764,579	900,202	894,011	955,236	874,966
Commercial - Inside City limits	1,325,532	1,157,076	1,311,355	1,216,886	1,099,018
Commercial - Outside City limits	490,789	651,298	599,348	623,064	611,537
Prisons	912,407	1,108,415	1,114,742	1,225,454	1,177,238
<b>Total Metered Water Sales by Type of Customer</b>	<b>\$ 4,926,290</b>	<b>\$ 5,559,580</b>	<b>\$ 5,656,298</b>	<b>\$ 5,843,529</b>	<b>\$ 5,377,864</b>
Residential Inside minimum rate per 4,000 gallons (a)	\$13.56				
Residential Outside minimum rate per 4,000 gallons (a)	\$19.84				
Residential Inside Meter Fee - flat rate (b)(c)(d)		\$9.30	\$9.30	\$9.58	\$9.58
Residential Outside Meter Fee - flat rate (b)(c)(d)		\$13.95	\$13.95	\$14.37	\$14.37
<b>Water Gallons Sold by Type of Customer (e)</b>					
Residential - Inside City limits	474,979	521,319	548,700	539,054	457,826
Residential - Outside City limits	154,048	170,919	177,399	177,941	156,899
Commercial - Inside City limits	389,176	331,019	411,424	337,494	295,459
Commercial - Outside City limits	223,119	259,348	239,575	245,054	253,496
Prisons	348,560	367,989	374,951	385,087	365,953
<b>Total Water Gallons Sold by Type of Customer</b>	<b>1,589,882</b>	<b>1,650,594</b>	<b>1,752,049</b>	<b>1,684,630</b>	<b>1,529,633</b>

**Source: City of Canon City, Colorado, audited financial statements, 2009-2018 and Water Utility Billing Records, 2009-2018.**

Notes:

(a) Minimum rate per month for inside and outside of the City limits.

(b) Effective May 1, 2010 water rate schedules were changed to eliminate the minimum usage charge.

A new flat rate meter fee was charged monthly in addition to a small fee for each 1,000 gallons of water consumed.

(c) Effective January 1, 2012, and again January 1, 2015, meter fees and usage rates were increased by 3% to keep up with the inflationary rise in cost of services.

(d) Effective January 1, 2018, upon advise from an outside consulting firm, water rates were increased by 15%.

(e) In thousands of gallons

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**TABLE 12**

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<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 1,615,756	\$ 1,581,803	\$ 1,690,402	\$ 1,610,179	\$ 1,896,413
878,336	876,303	920,479	891,552	1,043,560
1,117,912	1,136,226	1,192,248	1,137,729	1,263,982
576,214	518,047	498,370	459,720	467,664
<u>1,259,983</u>	<u>1,394,933</u>	<u>1,424,958</u>	<u>1,446,577</u>	<u>1,314,301</u>
<u><u>\$ 5,448,201</u></u>	<u><u>\$ 5,507,312</u></u>	<u><u>\$ 5,726,457</u></u>	<u><u>\$ 5,545,757</u></u>	<u><u>\$ 5,985,920</u></u>
\$9.58	\$9.87	\$9.87	\$9.87	\$11.39
\$14.37	\$14.80	\$14.80	\$14.80	\$17.09
461,100	426,626	468,102	439,128	505,171
158,440	149,775	160,631	153,547	179,652
305,016	296,163	315,503	296,506	315,208
234,835	181,513	166,683	151,556	150,220
<u>391,385</u>	<u>418,182</u>	<u>429,806</u>	<u>435,878</u>	<u>414,872</u>
<u><u>1,550,776</u></u>	<u><u>1,472,259</u></u>	<u><u>1,540,725</u></u>	<u><u>1,476,615</u></u>	<u><u>1,565,123</u></u>

# CITY OF CAÑON CITY, COLORADO

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## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (Unaudited)

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Fiscal Year	Governmental Activities		Business-Type Activities			
	Public Improvement Bonds	Capital Leases(a)	Certificates of Participation Series 2003(a)	Certificates of Participation Series 2008(a)	Certificates of Participation Premium	Certificates of Participation Series 2017(a)
2009	116,000	79,287	2,500,000	12,230,000	165,286	-
2010	65,000	-	2,360,000	11,895,000	158,100	-
2011	147,000	-	2,215,000	11,550,000	150,914	-
2012	105,000	-	2,070,000	11,195,000	143,728	-
2013	64,000	2,135,000	-	10,825,000	136,542	-
2014	34,000	1,940,000	-	10,445,000	129,356	-
2015	23,000	1,740,000	-	10,050,000	122,170	-
2016	9,000	1,540,000	-	9,635,000	114,984	-
2017	6,000	1,330,000	-	-	-	10,615,000
2018	4,000	1,120,000	-	-	-	10,040,000

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

(a) The Cañon City Finance Authority (formerly Cañon City Hall Project Corporation), a Colorado non-profit corporation was formed February 2003 for the purpose of purchasing, leasing or otherwise acquiring certain real property and to construct or install certain improvements in the City and thereafter lease the real property and improvements to the City of Cañon City for public purposes. Certificates of Participation of \$3,400,000 were issued by the Corporation in 2003 to finance the new City Hall building. In 2013 the 2003 Certificates of Participation were paid off when the City entered into a lease/purchase agreement in order to refinance the City Hall debt. During 2008, the Corporation issued \$12,550,000 Certificates of Participation to finance the cost of the acquisition, construction and improvements to the City's water treatment facility. In 2017, the Certificates of Participation, Series 2008, were refunded and new Certificates of Participation, Series 2017 were issued.

(b) See Table 17 for personal income and population data.

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**TABLE 13**

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**Business-Type Activities**

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Capital Lease	Total Primary Government	Percentage of Personal Income (b)	Per Capita
7,239	15,097,812	3.71%	934
-	14,478,100	3.42%	882
-	14,062,914	3.20%	856
-	13,513,728	2.97%	823
-	13,160,542	2.82%	811
-	12,548,356	2.56%	776
-	11,935,170	2.28%	735
-	11,298,984	2.10%	688
-	11,951,000	2.16%	721
-	11,164,000	2.02%	674

# CITY OF CAÑON CITY, COLORADO

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## RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

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	Fiscal Year				
	2009	2010	2011	2012	2013
General Bonded Debt Outstanding					
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage of Estimated Actual Property Value (a)	0.00%	0.00%	0.00%	0.00%	0.00%
Per Capita (b)	-	-	-	-	-
Total Taxable Assessed Value	<u>139,776,360</u>	<u>139,006,845</u>	<u>136,453,561</u>	<u>135,621,831</u>	<u>133,599,993</u>
Legal Debt Limit (c)	13,977,636	13,900,685	13,645,356	13,562,183	13,359,999
Total Net Debt Applicable To Debt Limit	-	-	-	-	-
Legal Debt Margin (d)	<u>\$ 13,977,636</u>	<u>\$ 13,900,685</u>	<u>\$ 13,645,356</u>	<u>\$ 13,562,183</u>	<u>\$ 13,359,999</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

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

(a) Property value data can be found in Table 5: Assessed Value and Estimated Actual Value of Taxable Property.

(b) Population data can be found in Table 17.

(c) State statutes limit the City's outstanding general debt to no more than 10 percent of the assessed value of the property.

(d) The legal debt margin is the City's available borrowing authority under state statutes and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

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**TABLE 14**

<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-
<u>132,147,876</u>	<u>134,888,127</u>	<u>135,316,053</u>	<u>135,316,053</u>	<u>139,804,438</u>
13,214,788	13,488,813	13,531,605	13,531,605	13,980,444
<u>\$ 13,214,788</u>	<u>\$ 13,488,813</u>	<u>\$ 13,531,605</u>	<u>\$ 13,531,605</u>	<u>\$ 13,980,444</u>
100.00%	100.00%	100.00%	100.00%	100.00%

# CITY OF CAÑON CITY, COLORADO

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## RATIOS OF WATER FUND DEBT OUTS LAST TEN FISCAL YEARS (Unaudited)

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	Fiscal Year				
	2009	2010	2011	2012	2013
Water Fund Debt Outstanding					
Certificates of Participation Series 2008	\$ 12,230,000	\$ 11,895,000	\$ 11,550,000	\$ 11,195,000	\$ 10,825,000
Certificates of Participation Series 2017	-	-	-	-	-
Capital Leases	7,239	-	-	-	-
Total Water Fund Debt Outstanding	<u><u>\$ 12,237,239</u></u>	<u><u>\$ 11,895,000</u></u>	<u><u>\$ 11,550,000</u></u>	<u><u>\$ 11,195,000</u></u>	<u><u>\$ 10,825,000</u></u>
Number of Active Water Service Connections					
	8,545	8,535	8,547	8,553	8,567
Water Fund Debt per Active Water Service Connection	\$ 1,432	\$ 1,394	\$ 1,351	\$ 1,309	\$ 1,264

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

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**TABLE 15**

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<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 10,445,000	\$ 10,050,000	\$ 9,635,000	\$ -	\$ -
-	-	-	10,615,000	10,040,000
-	-	-	-	-
<b>\$ 10,445,000</b>	<b>\$ 10,050,000</b>	<b>\$ 9,635,000</b>	<b>\$ 10,615,000</b>	<b>\$ 10,040,000</b>
8,568	8,580	8,614	8,655	8,796
\$ 1,219	\$ 1,171	\$ 1,119	\$ 1,226	\$ 1,141

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# CITY OF CAÑON CITY, COLORADO

**DIRECT AND OVERLAPPING DEBT**  
**DECEMBER 31, 2018**  
**(Unaudited)**

**TABLE 16**

<b>Government Entity</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (b)</b>	<b>Estimated Share of Overlapping (a) Debt</b>
Fremont County School District RE-1	\$ 27,840,000	58.1%	\$ 16,175,040
Cañon City Fire Protection District	-	0.0%	-
Fremont Sanitation District	-	0.0%	-
Cañon City Recreation District	-	0.0%	-
Fremont County	-	0.0%	\$ -
 Total Overlapping Debt			 16,175,040
 City of Cañon City Direct Debt			 1,124,000
 Total Direct and Overlapping Debt			 \$ 17,299,040

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

(b) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

# CITY OF CAÑON CITY, COLORADO

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## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS (Unaudited)

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TABLE 17

Year	Cañon City Population	Personal Income Fremont County (thousands of dollars) (a)	Personal Income Cañon City (thousands of dollars) (b)	Per Capita Personal Income (a)	Unemployment Rate
2009	16,160	1,179,954	406,828	25,175	7.3
2010	16,407	1,207,238	422,956	25,779	8.7
2011	16,424	1,264,621	438,981	26,728	8.4
2012	16,419	1,300,436	454,544	27,684	7.9
2013	16,220	1,328,849	465,936	28,726	6.8
2014	16,174	1,396,768	490,315	30,315	5.0
2015	16,235	1,487,070	522,523	32,185	3.9
2016	16,425	1,537,573	538,412	32,780	3.2
2017	16,569	1,589,528	553,769	33,422	2.7
2018 (c)	16,569	1,589,528	553,769	33,422	3.3

Source: Department of Local Affairs-Demography Section, U.S. Department of Labor-Bureau of Labor Statistics and Bureau of Economic Analysis-an agency of the U.S. Department of Commerce.

(a) The data reported for Personal Income and Per Capita Personal Income is for Fremont County.

(b) Personal Income for Cañon City is calculated by multiplying Cañon City population by Per Capita Personal Income.

(c) Population, Personal Income and Per Capita Personal Income data for 2018 is not available as of April 2019, so 2017 data is repeated for 2018.

# CITY OF CAÑON CITY, COLORADO

**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND TEN YEARS AGO**  
**(Unaudited)**

**TABLE 18**

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment (c)	Employees	Rank	Percentage of Total County Employment
Fremont School District (RE-1)	572	1	3.97%	536	1	3.10%
Centura Health (a)	500	2	3.47%	357	2	2.06%
International Order of Odd Fellows Complexes	350	3	2.43%	342	3	1.98%
Fremont County	330	4	2.29%	270	5	1.56%
Walmart	300	5	2.08%	325	4	1.88%
Starpointe	290	6	2.01%	163	7	0.94%
City of Canon City	158	7	1.10%	145	8	0.84%
Cornell Companies	150	8	1.04%	187	6	1.08%
Skyline Ridge Nursing and Rehabilitation	113	9	0.78%	-	-	-
Interroll Engineering West Inc (b)	102	10	0.71%	82	9	0.47%
Canon City Daily Record	-	-	-	80	10	0.46%
Total	<u><u>2,865</u></u>		<u><u>19.89%</u></u>	<u><u>2,487</u></u>		<u><u>14.43%</u></u>

**Source: City of Canon City Community and Economic Development Department**

**Total Fremont County employment information used to calculate the percentage of  
total county employment from the Colorado Department of Labor & Employment.**

(a) Centura Health previously known as St. Thomas More Hospital

(b) Portec was purchased by Interroll in July 2013.

(c) Total 2018 employment within Fremont County was 14,406.



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# **CITY OF CAÑON CITY, COLORADO**

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## **FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS**

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	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>General Government</b>					
City Clerk	2	2	2	2	2
Municipal Court	2	2	2	2	2
City Administrator	2	1	1	1	1
Finance	6	6	6	6	6
City Attorney	1	1	1	1	1
Building Maintenance	4	4	4	4	4
Community Development					
Building Division	3	2	2	2	2
Planning & Zoning	2	2	2	2	1
Code Enforcement	1	1	1	1	1
Economic Development	-	-	-	-	-
Administrative Resources					
Special Projects	-	-	-	-	1
Human Resources	1	1	1	1	1
Computer Resources	2	2	2	2	2
<b>Public Safety</b>					
Patrol Officers	28	28	28	28	28
Victims Assistance	1	1	1	1	1
Administration	3	3	3	4	5
Investigations	6	6	6	5	5
Parking & Code Enforcement	2	2	2	2	2
School Resource Program	1	1	1	1	1
Grant Funded Programs	1	1	-	-	-
Dispatch Services	8	8	8	8	8
<b>Public Works</b>					
Equipment Repair	3	3	3	3	3
Street Maintenance	16	16	15	15	15
Engineering	3	2	2	2	2
<b>Cemetery</b>	5	5	5	5	5
<b>Cultural &amp; Recreation</b>					
Forestry	4	3	3	3	3
Library & Museum/History Center	15	15	15	15	14
Parks Improvement Fund	9	8	8	8	7
<b>Water Fund</b>					
Administration	8	7	7	7	6
Water Treatment	12	13	12	12	12
Water Distribution	16	16	16	16	16
Water Utility Billing	1	1	1	1	1
<b>Storm Water Utility Fund</b>					
Administration	1	2	2	2	2
Total	<hr/> <hr/> <hr/> 169	<hr/> <hr/> <hr/> 165	<hr/> <hr/> <hr/> 162	<hr/> <hr/> <hr/> 162	<hr/> <hr/> <hr/> 160

Source: City of Cañon City Finance Department.

TABLE 19

2014	2015	2016	2017	2018
2	2	2	1	1
2	2	2	2	2
1	1	1	2	2
6	6	6	6	8
1	1	1	-	-
1	1	1	2	2
2	2	2	2	2
1	1	1	2	2
1	1	1	2	2
-	-	-	1	1
-	-	-	-	-
1	1	1	1	2
2	2	2	2	3
28	29	30	31	30
1	1	1	1	1
5	5	5	5	5
5	5	5	5	6
2	2	2	2	2
2	2	2	2	2
-	-	-	-	-
8	8	-	-	-
3	3	3	3	3
15	15	15	14	14
2	2	2	4	4
-	-	-	-	-
-	-	-	-	-
14	14	14	14	14
12	12	13	12	14
6	6	6	6	6
12	12	12	11	11
17	17	17	16	16
1	1	1	2	2
<u>2</u> <u>155</u>	<u>2</u> <u>156</u>	<u>2</u> <u>150</u>	<u>1</u> <u>152</u>	<u>1</u> <u>158</u>

# CITY OF CAÑON CITY, COLORADO

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (Unaudited)

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Public Safety</b>					
Physical arrests	1,743	1,952	2,130	1,839	1,750
Traffic violations (d)	2,321	2,468	2,707	1,981	2,096
Parking violations	765	1,377	911	351	86
Calls for service (c )	26,629	26,352	27,292	27,302	27,360
<b>Public Works</b>					
Street resurfacing & repairs (miles)	1.52	1.71	0.71	0.00	0.20
Potholes repaired	87	82	78	84	91
<b>Cemetery</b>					
Standard and ash burials	97	107	130	90	94
Spaces sold	39	26	48	28	39
<b>Cultural &amp; Recreation</b>					
Library:					
Physical Volumes in collection	79,204	60,324	70,661	73,984	75,228
Electronic Volumes in collection (a)	-	-	526	2,992	8,436
Total volumes checked out (b)	307,616	308,111	290,831	273,374	131,148
<b>Water Fund</b>					
Installed and replaced water mains	23,583'	7,438'	8,337'	6,926'	10,400'
Average daily metered consumption (millions of gallons)	4.4	4.5	4.8	4.6	4.2
Peak daily production (millions of gallons)	10.1	10.5	11.7	9.9	9.7

**Source: City of Cañon City Police Department, Public Works Department, Library, Parks & Recreation Department and Water Department.**

Notes:

(a) In 2011 the library began obtaining and lending downloadable electronic books.

(b) From 2013 to 2015 the library underwent major building renovations, resulting in fewer patron visits and fewer volumes checked out.

(c) On August 1, 2015, the City dispatching services were discontinued and the combined Regional Communications Authority (CRCA) began their operations. In order to provide regional communications services, CRCA was created through contracts among the City of Cañon City, Fremont County and the City of Florence.

(d) Traffic violations for 2006-2014 have been adjusted to report only violations which were referred to County and Municipal Courts and no longer includes traffic warning citations.

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**TABLE 20**

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<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1,676	1,739	820	740	819
2,304	1,341	2,524	2,810	683
52	15	5	124	141
28,627	15,323	28,656	28,297	27,738
8.10	5.27	5.88	6.07	4.77
75	77	91	103	128
98	96	95	107	77
57	62	38	42	54
64,192	56,290	52,508	61,532	61,185
14,688	18,257	32,078	28,167	31,757
159,283	168,995	206,163	183,616	285,554
2,200'	2565'	-	4109'	2363'
4.2	4.0	4.0	4.0	4.2
9.0	9.3	9.5	9.1	9.5

# **CITY OF CAÑON CITY, COLORADO**

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## **CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (Unaudited)**

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<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Public Safety</b>					
Police Stations	2	2	2	2	2
Marked Patrol units	27	28	28	28	28
<b>Public Works</b>					
Streets (miles) (a)	119.4	119.4	119.4	119.4	119.4
Alleys (miles)	16.1	16.1	16.1	16.1	16.1
Storm sewers (miles)	13.2	13.2	13.4	13.4	13.4
<b>Cemetery</b>					
City owned Cemeteries	2	2	2	2	2
<b>Cultural &amp; Recreation</b>					
Parks	10	10	10	10	10
Parks Acreage	6,567	6,567	6,567	6,567	6,567
<b>Water Fund</b>					
Water mains (miles)	150	151	151	151	151
Fire Hydrants	1,049	1,049	1,049	1,051	1,051
Finished Water Storage Tanks (b)	6	6	6	6	6

**Source: City of Cañon City Police Department, Public Works Department, Library, Parks & Recreation Department, Engineering and Water Department.**

(a) Represents all City street miles including those within the municipal parks.

(b) Although it still exists, and can be placed back in service at any time, the Lincoln Park water storage tank was decommissioned in 2012.

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**TABLE 21**

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<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
2	2	2	2	2
28	28	29	29	28
120.0	120.0	120.0	120.0	120.0
16.1	16.1	16.1	16.1	16.1
13.8	13.8	13.8	13.8	13.8
2	2	2	2	2
10	10	10	10	10
6,567	6,567	6,567	6,567	6,567
151	151	151	151	151
1,061	1,061	1,061	1,061	1,061
6	6	6	6	6



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<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Canon City		
		YEAR ENDING : December 2018		
This Information From The Records Of (example - City of _ or County of _ City of Canon City)		Prepared By: Tammy Nordyke Phone: 719-276-5251		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>				
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				
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>		
ITEM	AMOUNT	ITEM	AMOUNT	
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>		
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,030,576	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,748,098	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations		
2. General fund appropriations	109,669	b. Snow and ice removal		
3. Other local imposts (from page 2)	3,778,042	c. Other		
4. Miscellaneous local receipts (from page 2)	245,652	d. Total (a. through c.)	0	
5. Transfers from toll facilities		4. General administration & miscellaneous	463,531	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	93,090	
a. Bonds - Original Issues		6. Total (1 through 5)	5,335,295	
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>		
c. Notes	0	1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest	420	
7. Total (1 through 6)	4,133,363	b. Redemption	2,000	
<b>B. Private Contributions</b>		c. Total (a. + b.)	2,420	
<b>C. Receipts from State government</b> (from page 2)	800,103	2. Notes:		
<b>D. Receipts from Federal Government</b> (from page 2)	1,077,290	a. Interest	117,485	
<b>E. Total receipts (A.7 + B + C + D)</b>	6,010,756	b. Redemption	555,556	
		c. Total (a. + b.)	673,041	
		3. Total (1.c + 2.c)	675,461	
		<b>C. Payments to State for highways</b>		
		<b>D. Payments to toll facilities</b>		
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	6,010,756	
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	6,000	0	2,000	4,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	5,000,000	0	555,556	4,444,444
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
		6,010,756	6,010,756	0
E. Reconciliation				
Notes and Comments:				

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado
		YEAR ENDING (mm/yy): December 2018

## II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	4,862	a. Interest on investments	62,610
b. Other local imposts:		b. Traffic Fines & Penalties	93,090
1. Sales Taxes	3,620,852	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	27,733	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	87,690
5. Specific Ownership &/or Other	124,595	g. Other Misc. Receipts	2,262
6. Total (1. through 5.)	3,773,180	h. Other	
c. Total (a. + b.)	3,778,042	i. Total (a. through h.)	245,652
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	736,213	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	63,890	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	1,077,290
f. Total (a. through e.)	63,890	g. Total (a. through f.)	1,077,290
4. Total (1. + 2. + 3.f)	800,103	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	31,100	178,823	209,923
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	124,527	124,527
(4). System Enhancement & Operation	0	2,696,126	2,696,126
(5). Total Construction (1) + (2) + (3) + (4)	0	2,820,653	2,820,653
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	31,100	2,999,476	3,030,576
		(Carry forward to page 1)	

**Notes and Comments:**