



CITY OF CAÑON CITY

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

A photograph of a wooden boardwalk with metal railings, extending into the distance over a trestle bridge. The boardwalk is surrounded by green trees and shrubs. In the background, there are rolling hills and mountains under a blue sky with scattered clouds.

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

City of Cañon City, Colorado



Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2020

Prepared by:
Department of Finance

City of Cañon City, Colorado

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City of Cañon City, Colorado

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Introductory Section



CITY OF CAÑON CITY

Finance Department

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(719) 269-9011 • Fax: (719) 269-9017

July 7, 2021

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 for the City of Cañon City, Colorado (the "City"), for the year ended December 31, 2020, 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 16,693 people living within the incorporated City limits. The median age of the community's residents is about eight years older than that of the state. The annual median household income in Cañon City is \$46,494, approximately \$30,633 less than it is statewide.

The City has experienced a minor annual population increase 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 2020, the sixth full year of attendance following the fire, the number of visitors is estimated at over 312,000 or 17.7% 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 31st, the budget is legally adopted by a resolution of City Council. In accordance with the City's charter, 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 2020, no amendments were made to any funds. 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 340,000 visitors each year, the Royal Gorge Route Railroad with approximately 150,000 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 2020 taxable sales for home furnishings increased by 2.4%; building materials sales increased by 21.6%; and general merchandise sales increased by 1.5%. Overall, the City's General Fund sales tax revenues increased from \$7,153,985 in 2019 to \$7,671,586 in 2020, a 7.2% 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. Construction of the new Holiday Inn Express at the eastern gateway of Cañon City and the restoration of the historic Hotel St. Cloud are underway in downtown Cañon City with a scheduled opening in 2021. The total valuation for new construction in 2020 exceeded the prior 5-year average by 60.3%. A large portion of the building permit increase was due to the large commercial projects started during the year.

Year	Number of Permits	Valuation of Work
2015	422	\$8,634,285
2016	464	11,068,166
2017	615	24,149,567
2018	1,100	29,473,889
2019	760	23,537,969
2020	819	31,050,622

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 establish Cañon City as an economically resilient community.
2. Prioritize and implement development projects that will continue the physical revitalization of the City and 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 the Colorado Main Street program, 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.

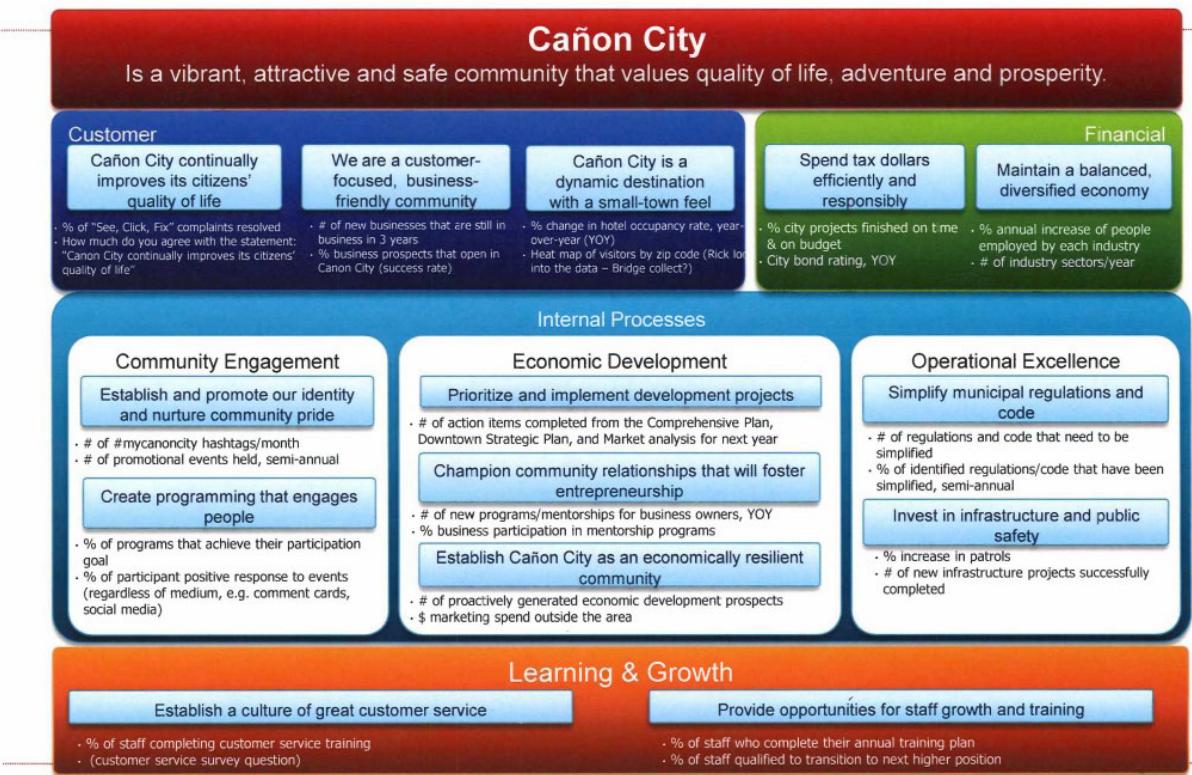
5. Partner with the Royal Gorge Bridge and Park Company to build upon the amenities of the park by adding additional recreational and upscale camping opportunities.
6. Simplify municipal regulations to ensure a transparent, predictable, fair and balanced regulatory environment for business retention and growth.
7. Champion community relationships that will foster entrepreneurship and partnership by 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.
8. Encourage the development of reliable and cost-effective ultrahigh-speed internet services throughout the business community.
9. 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.
10. 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.

In September of 2020, the City Administrator and City Council met to discuss a new Strategic Plan for the City as the 2017-2020 Strategic Plan was set to expire at the end of the year. A new Strategy Map for the City was introduced to the council during the December 9, 2020, General Government Meeting. This new Strategy Map implements a scorecard with measurable goals.





Cañon City Strategy Map v2.0 with Measures



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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.

The City has experienced continued increases in sales tax receipts from 2017 through 2020 despite the economic downturn due to COVID-19. While the City is currently able to fund activities and improvements beyond those traditionally provided, particularly with respect to street maintenance, City Council continues to place an emphasis 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

In recent years, the City has instituted a number of new initiatives. 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 2020.

In 2020, the City begun the process of updating its Comprehensive Plan as well as undertaking a code rewrite to streamline rules for development regulations and zoning. Additionally, plans have been completed for the improvement of the Highway 50 corridor, downtown strategy, 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 plans should help propel economic development forward. Significant actions are expected in 2021 and beyond as the community seeks economic and financial growth and improvement.

The City has continued to institute efforts with the Chamber of Commerce, Fremont County Economic Development Corporation, TechSTART 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.

The Economic Development office continues to work on building better relationships with community partners, while 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 continues to work closely with the Royal Gorge Bridge and Park Company of Colorado to increase quality in the reconstruction and future improvements at the Park.

While the COVID-19 pandemic eliminated, reduced in scope or postponed some of the Parks Department projects, the department was still able to complete several projects in 2020. The Eastridge Campground enhancement was completed late in the year which consists of 23 campsites. An informational kiosk, signage and iron ranger pay station were installed as well as road and drainage improvements. Working closely with RG Rio, the department completed the whitewater park maintenance project including

necessary repairs, enhancements, in-channel adjustments and fine tuning of the park's whitewater features. RG Rio obtained a generous donation from Martin Marietta of approximately 45 large river boulders that were used for this project. The focus on trails in 2020 was centered on the connection trail linking the Royal Gorge trail system with the Tunnel Drive trail. Currently the trail system in the Royal Gorge Park consists of approximately 22.5 miles of completed trail with an additional 6 plus miles of new trail planned including the connection trail. Wayfinding kiosks and informational panels were installed at the pull off east of town, the River Station, and the Royal Gorge Park Visitors' Center. Also, during the year, the Parks Department re-established its Forestry Division which has increased the City's ability to address citizen concerns in a timely manner as well as approach urban forest management in a proactive versus reactive way which will provide dividends to the future health of the division's over 5,000 trees. The Forestry Division is currently supplemented by an annual tree removal contract.

During the COVID-19 pandemic the City's Police Department was tasked with creating extra measures to keep the community safe and increase patrol for socially distanced events and shopping at local grocery stores. Even though the department was unable to continue some annual programs and events, they were able to initiate Operation Blue Santa in an effort to continue to promote safety and strengthen ties to the community. Advanced training and safety equipment are things that the Police Department continually keeps up with in order to ensure optimum performance for the citizens of Cañon City. The Co-Responder Program continued to assist those with mental illness and substance abuse with getting back on their feet in order to enhance their way of life and decrease the potential for unnecessary incarceration or repeat offenses. During the COVID-19 pandemic the Police Department was tasked with creating extra measures to keep the community safe and increase patrol for socially distanced events and shopping at the local grocery stores.

In November 2016, the Cañon City voters approved the requested 1% sales & use tax increase. By utilizing a \$5,000,000 interfund loan in combination with sales tax collections, the City completed multiple major street improvements in the 2020 year. Four major streets, 13 blocks total, were completed throughout the city including 9th Street for a total area of pavement of 18,270 square yards of asphalt and 1,177 square yards of concrete. The street improvement program continues to assess and upgrade local streets in order to provide safety and stability for years to come.

AWARDS AND ACKNOWLEDGEMENTS

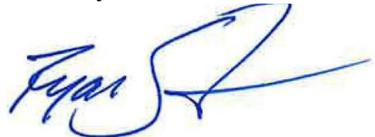
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cañon City for its comprehensive annual financial report for the fiscal year ended December 31, 2019. In order to be awarded a Certificate 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.

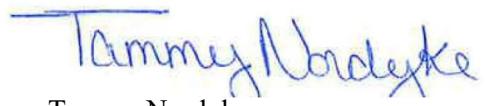
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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
City Administrator



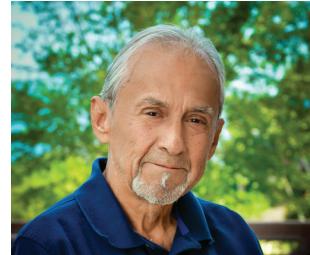
Tammy Nordyke
Finance Director

City of Cañon City, Colorado **ELECTED OFFICIALS**

For the Year Ended December 31, 2020



**Mayor
Ashley Smith
At Large**



**Frank Jaquez
District 1
Council Member**



**Mandy Reed
District 2
Council Member**



**John Hamrick
District 3
Council Member**



**Dolly Gonzales
At Large
Council Member**



**Jim Meisner
At Large
Council Member**



**Brandon Smith
At Large
Council Member**



**Tim Dennehy
District 4
Council Member**

City of Cañon City, Colorado

Appointed Officials

For the Year Ended December 31, 2020

City Administrator	Ryan Stevens
City Attorneys	Hoffmann, Parker, Wilson & Carberry, P.C.
Municipal Court Judge	Larry D. Allen

Department Heads

For the Year Ended December 31, 2020

Parks Director	Rex Brady
Water Superintendent	Bob Hartzman
Police Chief	John Schick
City Engineer	Adam Lancaster
Library Director	Suzanne Lasha
Human Resources Director	Ivy Morris
Finance	Tammy Nordyke
City Clerk	Cindy Foster-Owens
Equipment/Facilities/Streets Director	Jim Johnson
Museum Director	Lisa Studts

Organizational Chart

as of December 31, 2020

CITIZENS OF CAÑON CITY

MAYOR AND CITY COUNCIL

Ashley Smith - MAYOR

Frank Jaquez, Mandy Reed, John Hamrick, Tim Dennehy, Dolly Gonzales, Jim Meisner, Brandon Smith

CITY ATTORNEY

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

MUNICIPAL JUDGE

Larry Allen

CITY ADMINISTRATOR

Ryan Stevens

ADMIN ASSISTANT

Denise Warren

BUILDING

Kathy Ulsh

CITY CLERK

Cindy Foster Owens

ECONOMIC DEVELOPMENT

Rick Harrmann

ENGINEERING

Adam Lancaster

ENGINEERING

STORMWATER

INFORMATION TECHNOLOGY

FINANCE

Tammy Nordyke

ACCOUNTING & BUDGETING

UTILITY BILLING

HUMAN RESOURCES

Ivy Morris

LIBRARY

Suzanne Lasha

MUSEUM

Lisa Studts

PARKS & FACILITIES

Rex Brady

PARKS

OPEN SPACE

CEMETERY

PLANNING & ZONING

Patrick Mulready

POLICE

John W. Schick

OPERATIONS

SUPPORT SERVICES

NEIGHBORHOOD PARTNERSHIP

PUBLIC INFORMATION

Kristy Gotham

STREETS, FLEETS, BUILDINGS

Jim Johnson

STREETS

FLEET

BUILDING

WATER

Bob Hartzman

TREATMENT

DISTRIBUTION



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cañon City
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section



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, 2020, 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, 2020, 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.

Hiltz & Company, PC

Greenwood Village, Colorado
July 7, 2021



City of Cañon City, Colorado

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, 2020. 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

- ◆ The fund balance for the General Fund increased by \$1,509,912 compared to a budgeted decrease of \$2,495,367 primarily due to a combination of significant savings on operating expenses, deferred capital projects, as well as greater than anticipated sales and use tax revenues.
- ◆ Sales and use tax revenue, the City's largest single source of General Fund revenue, increased by \$674,839 from 2019 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 \$3,595,898 (or 26.7 percent of total General Fund operating expenditures plus debt service). The City's other governmental funds reported a combined ending fund balance of \$3,335,621, an increase of \$1,978,393 in comparison with the prior year, primarily as a result of decreased capital projects in the Street Improvement Fund. Within the total fund balance for the governmental funds, \$773,702 is restricted by specific legal requirements, \$427,018 has been committed for contractual obligations, \$6,989,085 is classified as assigned, and \$3,027,930 is non-spendable for inventory, prepaid items, interfund receivable and the Cemetery Perpetual Care Fund. The total unassigned fund balance for governmental funds of \$2,817,501 includes a negative fund balance of (\$1,056,938) in the Street Improvement Fund. This negative fund balance in the Street Improvement Fund is related to outstanding interfund loan balance of \$3,333,332 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. \$4,108,625 was applied to General Government purposes – City Council, City Clerk, Elections, Municipal Court, Administration, Human Resources, Computer Resources, Buildings, Finance, Non-Departmental, Economic Development and Community Development.
 - b. \$4,729,598 for Public Safety – Victim Assistance, Administration, Special Response Team, Patrol, Investigation, Parking & Code Enforcement, School Resource Officer, and Community Programs.
 - c. \$1,920,755 for Public Works – Equipment Repair, Street Maintenance, Engineering, and Street Projects.
 - d. \$843,563 for Culture and Recreation – Cañon City Public Library and the Royal Gorge Museum and History Center.
 - e. \$1,499,193 for Capital Outlay.
 - f. \$343,797 for Debt Service.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the City of Cañon City's basic financial statements. The City of Cañon City's financial statements are comprised of three components – government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the City of Cañon City's assets and deferred outflows of resources along with liabilities and deferred inflows of resources, with the difference reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, 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 or financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used paid time off.). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting and the economic resources measurement focus.

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 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, 2020. 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 – Nonmajor Governmental Funds includes data from the other eight funds. The Combining Balance Sheet – Nonmajor Governmental Funds reports data combined into a single aggregated presentation for the eight nonmajor governmental funds as of December 31, 2020.

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

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) are 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 can be found following the Basic Financial Statements.

RSI and Supplementary Information

The combining and individual fund statements and schedules are presented immediately following the Notes to the Financial Statements.

THE CITY AS A WHOLE – Government-Wide Financial Analysis

The City's net position at fiscal year-end is \$122,913,453. This is a \$6,204,326 increase over last year's net position of \$116,709,127. Net position may serve as a useful indicator of the City's financial position.

The largest portion of Cañon City's net position, \$93,195,442 (75.8 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. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

Summary of Net Position At December 31, 2020

	Governmental Activities		Business -Type Activities		Total	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Statement of Net Position						
Current and Other Assets	\$16,596,978	\$14,375,183	\$15,119,721	\$16,642,388	\$31,716,699	\$31,017,571
Capital Assets	70,383,289	69,525,432	39,586,386	37,268,259	109,969,675	106,793,691
Net Pension Assets	209,831	58,331	-	-	209,831	58,331
Total Assets	\$87,190,098	\$83,958,946	\$54,706,107	\$53,910,647	\$141,896,205	\$137,869,593
Deferred Outflows of Resources	\$912,238	\$1,069,411	\$433,715	\$469,858	\$1,345,953	\$1,539,269
Current Liabilities	\$1,245,119	\$2,622,374	\$593,893	\$470,794	\$1,839,012	\$3,093,168
Long-Term Liabilities	1,168,381	1,278,884	16,684,338	17,560,408	17,852,719	18,839,292
Net Pension Liability	-	308,341	-	-	-	308,341
Total Liabilities	\$2,413,500	\$4,209,599	\$17,278,231	\$18,031,202	\$19,691,731	\$22,240,801
Deferred Inflow of Resources	\$636,974	\$458,934	-	-	\$636,974	\$458,934

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

Net position

Net Investment in Capital Assets	\$69,693,289	\$68,575,855	\$23,502,153	\$19,844,249	\$93,195,442	\$88,420,104
Restricted	2,950,933	2,660,205	-	-	2,950,933	2,660,205
Unrestricted	12,407,640	9,123,764	14,359,438	16,505,054	26,767,078	25,628,818
Total Net Position	\$85,051,862	\$80,359,824	\$37,861,591	\$36,349,303	\$122,913,453	\$116,709,127

Only \$2,950,933 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, \$26,767,078 may be used to meet the City's ongoing obligation to citizens and creditors.

As of December 31, 2020, 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

Governmental and Business-Type activities increased the City's net position by a total of \$6,204,326. The key elements of this increase are as follows:

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Statement of Activities						
Program Revenues (Major Source)						
Charges for Services	\$1,032,954	\$1,163,162	\$9,333,526	\$8,453,403	\$10,366,480	\$9,616,565
Operating Grants & Contributions	1,350,139	1,065,475	-	36,579	1,263,959	1,102,054
Capital Grants & Contributions	827,874	1,411,625	100,000	-	300,268	1,411,625
General Revenues:						
Property Taxes	494,643	462,806	-	-	494,643	462,806
Sales and Use Taxes	11,888,743	11,213,904	-	-	11,888,743	11,213,904
Other Taxes	45,290	32,277	-	-	45,290	32,277
Franchise Taxes	752,946	765,657	-	-	752,946	765,657
Grants & Contributions not Restricted to Specific Programs	1,512,756	321,226	-	-	2,226,542	321,226
Royal Gorge Bridge Revenues	2,365,717	2,726,245	-	-	2,365,717	2,726,245
Investment Earnings	113,962	257,941	105,313	306,360	219,275	564,301
Other Revenues	197,743	837,014	-	-	197,743	837,014
Total Revenues	20,582,767	20,257,332	9,538,839	8,796,342	30,121,606	29,053,674
Program Expenses:						
General Government	4,448,780	3,535,379	-	-	4,448,780	3,535,379
Public Safety	4,790,462	4,977,168	-	-	4,790,462	4,977,168
Public Works	3,718,022	3,615,072	-	-	3,718,022	3,615,072
Culture & Recreation	3,815,075	3,884,311	-	-	3,815,075	3,884,311
Interest on Long-Term Debt	171,390	133,122	-	-	171,390	133,122
Water	-	-	6,166,198	6,711,905	6,166,198	6,711,905
Stormwater Utility	-	-	807,353	781,816	807,353	781,816
Total Expenses	16,943,729	16,145,052	6,973,551	7,493,721	23,917,280	23,638,773
Increase in Net Position Before Transfers						
Transfers	3,639,038	4,112,280	2,565,288	1,302,621	6,204,326	5,414,901
Change in Net Position	1,053,000	991,480	(1,053,000)	(991,480)	-	-
Net Position, Beginning of Year	80,359,824	75,256,064	36,349,303	36,038,162	116,709,127	111,294,226
Net Position, End of Year	\$85,051,862	\$80,359,824	\$ 37,861,591	\$36,349,303	\$122,913,453	\$116,709,127

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

Governmental Activities

The City's general revenues within governmental activities increased when compared to the prior year by 8.84%, or \$1,468,516. The primary reason for this increase was due to additional grant funding during the COVID-19 pandemic. Sales tax continues to steadily increase as seen in the last ten years. Refer to Statistical Table 9 for detailed information about sales tax collections by category.

General Revenues

	2020	2019	Increase (Decrease)
Property Taxes	\$494,643	\$462,806	\$31,837
Sales and Use Taxes	11,888,743	11,213,904	674,839
Other taxes	45,290	32,277	13,013
Franchise Taxes	752,946	765,657	(12,711)
Grants and Contributions not restricted			
to Specific Programs	1,512,756	321,226	1,191,530
Royal Gorge Bridge Revenues	2,365,717	2,726,245	(360,528)
Investment Earnings	113,962	257,941	(143,979)
Other Revenues	197,743	837,014	(639,271)
Total General Revenues	<u>\$17,371,800</u>	<u>\$16,617,070</u>	<u>\$754,730</u>

- Program revenue had a net decrease of \$429,295 (or 11.8 percent). Charges for services decreased by \$130,208 (or 11.2 percent). Operating Grants & Contributions increased by \$284,664 (or 26.7 percent) mainly due to new grant funding for General Government. Capital Grants and Contributions decreased by \$583,751 (or 41.4 percent) primarily due to decreased grant funded capital projects.
- Sales and use tax revenues increased by \$674,839 (or 6.0 percent) mainly due to an improved building environment with increased building sales and construction as well as state-mandated COVID-19 restrictions. These restrictions encouraged local and online shopping.
- Franchise tax revenues decreased by \$12,711 (or 1.7 percent).
- Royal Gorge Bridge lease revenues decreased by \$360,528 (or 13.2 percent). Due to the onset of COVID-19 in the year, paid admissions went down.
- Investment earnings decreased by \$143,979 (or 55.8 percent).
- General Government expenses increased by \$913,401 (or 25.8 percent) due to increases in personnel costs for filled vacancies and increased operating costs. There was also additional local grants funding paid for with proceeds from the CARES Act.
- Public Safety expenses decreased by \$186,706 (or 3.8 percent) primarily due to capital projects and equipment.
- Public Works expenses increased by \$102,950 (or 2.8 percent) primarily due to increased street maintenance material costs.
- Culture and Recreation expenses decreased by \$69,236 (or 1.8 percent).
- The budgeting strategy for 2020 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, excluding net pension liability, decreased by \$110,503 due to principal repayments and a decrease in the City's compensated absence liability. Other governmental activities liabilities decreased by \$1,377,255 primarily due to a decrease in accounts payable. A net pension asset was also reported in the governmental activities in the amount of \$209,831.

Business-type Activities: Total net position from business-type activities increased from the previous year by \$1,512,288 (or 4.2 percent). The key elements of this increase are due to the following:

- The City Stormwater Utility Fund had a total increase in net position of \$477,571 primarily due to planned rates increases and cost savings.
- The Water Fund had a total increase in net position of \$1,034,717 primarily from a decrease in spending and increased revenue.

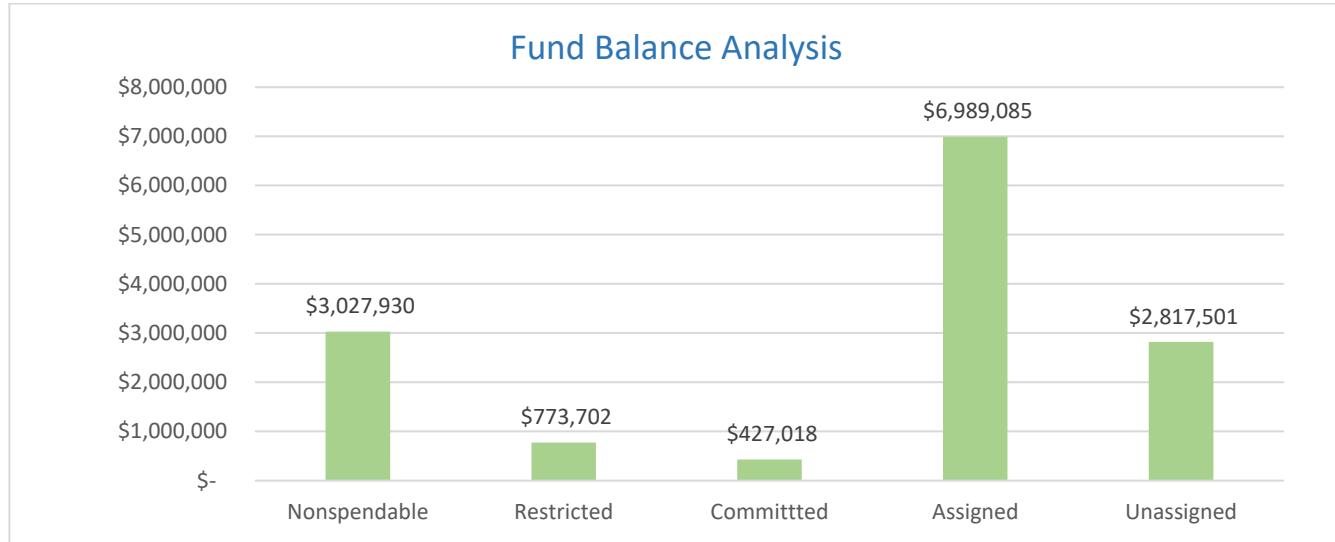
City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

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 \$14,035,236, an increase of \$3,488,305 in comparison with the prior year. Within this total \$773,702 (5.5 percent) is restricted by specific legal requirements, and \$427,018 (3.0 percent) has been committed and \$6,989,085 (49.8 percent) is assigned to specific types of expenditures, and \$3,027,930 (21.6 percent) is non-spendable for inventory, cemetery, and prepaid items. The unassigned fund balance represents a positive \$2,817,501 (20.1 percent).

- ◆ **The General Fund** is the City's primary operating fund. At the end of the current fiscal year the unassigned fund balance was \$3,595,898 while the total fund balance equaled \$10,699,615. In the current fiscal year, the fund balance of the General Fund increased by \$1,509,912. This is primarily due to an increased amount of taxes and assessments as well as intergovernmental operating grant revenue.

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 2020 fiscal year, of the \$769,006 total project expenditures, \$637,170 (or 82.9 percent) was provided by multiple grant sources. The main projects with funding assistance were as follows: Master Plan 2040 funded by DOLA and State Historical funding for continued renovation of a City Museum historic building. In addition, completion of the CMAQ 8th Street & Bridge project and continued work on the US 50 Pedestrian Crossing study/design and State Highway 115 Pedestrian Improvement projects were primarily funded by Colorado Department of Transportation (CDOT) grants.

- ◆ **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.

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

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 \$8,512,819.

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 2020 was \$5,846,619.

The net position of the Internal Service Fund, which accounts for the City's self-insurance program, increased by \$84,916 (11.0 percent). This increase was primarily the result of premiums for the program being increased for the 2020 year in order to stabilize the Internal Service Fund. It is anticipated that smaller increases will continue to be imposed for future years.

General Fund Budgetary Highlights

The original and final expense budget in the General Fund was \$15,823,020. There was no increase or decrease to the total General Fund expense during the year.

The General Fund total revenues were \$1,571,550 higher than the revenue budget. Several of the revenue categories had significant variances from budget. Taxes and assessments revenues were \$780,676 higher than budgeted which was a variance of 9.3%. Licenses and permits were \$111,267 lower than budgeted primarily due to a decrease in large commercial projects compared to the previous year. Intergovernmental revenues increase by \$894,683 or 60.2% primarily because of additional grant income not anticipated. Charges for services were \$160,750 higher because of an increase in police programs. Fines and Forfeitures revenues were \$24,878 lower than budgeted due to a decrease in traffic tickets. The General Fund portion of the Royal Gorge Bridge revenues was \$378,938 lower than budgeted due to decreased admissions and a greater than budgeted portion of this revenue source was allocated to both the Park Improvement and Quality of Life Funds. Interest earnings were \$89,715 lower than budgeted due to a significant decrease to the average yield on the City's investments. Rent revenues were \$20,380 higher than budgeted, and contributions and donations were \$272,730 greater than budgeted. Other revenues were \$47,129 higher than budgeted due increased local funding.

The General Fund total expenditures were \$2,377,489 under budget. General Government expenditures were \$256,738 under budget due to a combination of vacancy savings and reduced operating costs. Public Safety spending was \$520,424 lower than budgeted expenditures due to vacancy savings. Public Works operating costs were \$583,147 lower than budgeted largely due to reduced operating costs during the COVID-19 pandemic. Culture and Recreation spending was \$64,788 under budget primarily due to reduced operating costs. Capital projects cost were \$952,390 lower than budgeted mainly due to capital projects deferred into the subsequent year because of COVID-19.

Capital Assets and Debt Administration

Capital Assets

Cañon City's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounted to \$109,969,675 net of depreciation. This investment in capital assets includes land, water rights, buildings, improvements, machinery and equipment and infrastructure associated with the water system, stormwater system and street system infrastructure.

The increase in capital assets is attributed primarily to infrastructure improvements and construction in progress projects coming to completion. The City is continuing to upgrade water mains to help improve our level of service to our customers.

For additional information relating to the capital assets of the City, please refer to Note 4 in the Notes to the Financial Statements.

City of Cañon City, Colorado
 Management's Discussion and Analysis (Unaudited)

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

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 3,373,033	\$ 3,373,033	\$ 386,730	\$ 386,730	\$ 3,759,763	\$ 3,759,763
Ditch Stock	7,414	7,414	1,053,538	1,053,538	1,060,952	1,060,952
Construction in Progress	1,344,289	6,061,171	910,716	432,619	2,255,005	6,493,790
Infrastructure	30,854,094	24,829,716	-	-	30,854,094	24,829,716
Buildings	15,167,895	15,422,718	4,043,726	4,221,373	19,211,621	19,644,091
Improvements	17,631,715	17,785,007	-	-	17,631,715	17,785,007
Water and Stormwater Systems	-	-	32,788,164	30,847,367	32,788,164	30,847,367
Machinery and Equipment	2,004,849	2,046,373	403,512	326,632	2,408,361	2,373,005
Total	\$ 70,383,289	\$ 69,525,432	\$ 39,586,386	\$ 37,268,259	\$ 109,969,675	\$ 106,793,691

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

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

Governmental Activities

Install fiber optic connectivity
Two storage servers for the IT Department
Fortinet firewall
Four copiers/printers
Wide format printer
East City Limit Gateway sign
West City Limit Gateway sign
1st & Main Gateway sign
9th & Main Gateway sign
Three picnic shelters at Centennial Park
Overlook train platform extension
Four trestle bridges at the Royal Gorge
Two bridge refurbishments at Tunnel Drive
Green bridge refurbishment
Z Master Mower
2021 Mule 4010 4x4
2020 Ram 1500 Parks vehicle
Additions to trail from Tunnel Drive to RGDP Trail
Centennial Park landscaping
Eastridge Campground improvements
Police Annex renovation
Two 2020 Jeep Grand Cherokee patrol vehicles
Four 2020 Ford Explorer patrol vehicles
Three Conex boxes
AC service machine
Three Honda Rancher 350 ATVs
Alley rebuild
S 3rd Street Railroad Crossing improvement
Repave road at Bridge Street
Rebuild roads at N 12th St, Main St, S 4th St, Forge Rd, Meadows, Harding Ave, and N 9th St
Install curb and sidewalk at McCormick Parkway
Repave roads at N Orchard Ave, N 10th St, N 11th St, Allison Ave, N 8th St, and Evelyn Dr
Additions to West US Hwy 50 access control plan
Additions to SH 115 and US Hwy 50 pedestrian crossing
Rudd House renovation
Install irrigation system at Elk Park
Install erosion control at Royal Gorge Park
Install "Via Ferrata" HVAC system
Two septic system grinder pumps at Royal Gorge Park

Business-type Activities

Water Fund

Install fiber optic connectivity
MCC upgrades
Install 2020 bulk water station
Replace water main at N 9th St
Two 2020 Dodge Ram trucks
2019 Dodge Ram 4x4 service truck
Install water line at Orchard and Central Ave

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

Stormwater Fund

Install culvert at Dawson Ranch
Install N 9th St drainage
JetScan 2.0 camera
Place NE Canon/Abbey basins
WPA & Rhodes canals improvements

Debt Administration:

At the end of the current fiscal year, the City had total outstanding debt of \$17,852,719 (certificates of participation, capital lease, public improvement bonds and compensated absences). The City's total debt had a net decrease of \$986,573 during the current fiscal year.

The key elements of this net 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 \$215,000
- Balance of the 2017 certificates of participation decreased by \$615,000
- Balance of the 2019 certificates of participation decreased by \$295,737
- Compensated absences increased by \$141,164

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	
	2020	2019	2020	2019	2020	2019
Public Improvement Bonds	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
Compensated Absences	478,381	371,884	171,065	136,398	649,446	508,282
Capital Lease	690,000	905,000	-	-	690,000	905,000
Certificates of Participation	-	-	16,513,273	17,424,010	16,513,273	17,424,010
Total	\$ 1,168,381	\$ 1,278,884	\$ 16,684,338	\$ 17,560,408	\$ 17,852,719	\$ 18,839,292

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's 2021 budget reflects continuation of our plan to keep the City on solid ground for providing services to our citizens during 2021 and for years to come. We recognize the fact that we cannot control the economy as a whole. We are maintaining an adequate emergency reserve, and upholding 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 2021 budget lays out the City's vision for achieving long term goals and more focus on action beyond 2021 that promotes economic development and tourism within Fremont County. Since re-opening in 2014 after the 2013 fire, the Royal Gorge Bridge and Park had continued to increase their annual attendance in each successive year. However, due to the COVID-19 pandemic, 2020 attendance was lower than in prior years.

The City's elected and appointed officials considered many factors when setting the fiscal year 2021 budget. One of those factors is the economy. With the uncertainty of the economy due to COVID-19, the 2021 budget is a conservative budget. The overall budget shows a small increase of 2.31% over the 2020 budget.

City of Cañon City, Colorado

Management's Discussion and Analysis (Unaudited)

Additionally, the City's general fund revenue is expected to remain stable even with the loss of the electric franchise fee. It is anticipated that sales tax revenue will continue to increase.

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

The City's adherence to four basic principles is incorporated into the 2021 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.

As of this report, overall revenue is up but with continued economic concerns of COVID-19, the City continues to monitor revenue and expenditures closely. The City continues to maintain 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 Finance Director's attention at the following address:

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

Basic Financial Statements

City of Cañon City, Colorado

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 14,056,634	\$ 12,301,893	\$ 26,358,527
Receivables			
Accounts	1,434	1,116,277	1,117,711
Taxes	1,625,910	-	1,625,910
Special Assessments	5,228	-	5,228
Other	2,095,302	9,680	2,104,982
Inventory	120,507	355,384	475,891
Prepaid Expenses	25,296	3,154	28,450
Internal Balances	(1,333,333)	1,333,333	-
Capital Assets			
Not Being Depreciated	4,724,736	2,350,984	7,075,720
Being Depreciated, <i>Net of Accumulated Depreciation</i>	65,658,553	37,235,402	102,893,955
Other Noncurrent Assets			
Net Pension Asset (SWH)	84,494	-	84,494
Net Pension Asset (SWDB)	125,337	-	125,337
 Total Assets	 87,190,098	 54,706,107	 141,896,205
 Deferred Outflows of Resources			
Pensions, <i>Net of Accumulated Amortization</i>	912,238	-	912,238
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	-	433,715	433,715
 Total Deferred Outflows of Resources	 912,238	 433,715	 1,345,953
 Liabilities			
Accounts Payable	790,834	360,239	1,151,073
Retainage Payable	-	4,675	4,675
Accrued Interest Payable	1,166	44,377	45,543
Accrued Liabilities	98,283	29,095	127,378
Deposits	132,500	41,163	173,663
Insurance Claims	202,400	-	202,400
Unearned Revenues	19,936	114,344	134,280
Noncurrent Liabilities			
Due Within One Year	627,978	1,065,354	1,693,332
Due in More Than One Year	540,403	15,618,984	16,159,387
 Total Liabilities	 2,413,500	 17,278,231	 19,691,731
 Deferred Inflows of Resources			
Property Taxes	458,878	-	458,878
Pensions, <i>Net of Accumulated Amortizations</i>	178,096	-	178,096
 Total Deferred Inflows of Resources	 636,974	 -	 636,974
 Net Position			
Net Investment in Capital Assets	69,693,289	23,502,153	93,195,442
Restricted For			
Cemetery Perpetual Care, Nonexpendable	2,177,231	-	2,177,231
Emergencies	331,000	-	331,000
Public Safety	(9,363)	-	(9,363)
Culture and Recreation	447,754	-	447,754
Debt Service	4,311	-	4,311
Unrestricted	12,407,640	14,359,438	26,767,078
 Total Net Position	 \$ 85,051,862	 \$ 37,861,591	 \$ 122,913,453

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
Primary Government								
<i>Governmental Activities</i>								
General Government	\$ 4,448,780	\$ 317,797	\$ 324,030	\$ -	\$ (3,806,953)	\$ -	\$ (3,806,953)	
Public Safety	4,790,462	245,058	194,545	-	(4,350,859)	-	(4,350,859)	
Public Works	3,718,022	210,599	679,908	627,606	(2,199,909)	-	(2,199,909)	
Culture and Recreation	3,815,075	259,500	151,656	200,268	(3,203,651)	-	(3,203,651)	
Interest on Long-Term Debt	171,390	-	-	-	(171,390)	-	(171,390)	
Total Government Activities	16,943,729	1,032,954	1,350,139	827,874	(13,732,762)	-	(13,732,762)	
<i>Business-Type Activities</i>								
Water	6,166,198	7,459,460	-	-	-	1,293,262	1,293,262	
Stormwater	807,353	1,874,066	-	100,000	-	1,166,713	1,166,713	
Total Business-Type Activities	6,973,551	9,333,526	-	100,000	-	2,459,975	2,459,975	
Total Primary Government	\$ 23,917,280	\$ 10,366,480	\$ 1,350,139	\$ 927,874	(13,732,762)	\$ 2,459,975	\$ (11,272,787)	
General Revenues								
Property Taxes				494,643	-	494,643		
Sales and Use Taxes				11,888,743	-	11,888,743		
Other Taxes				45,290	-	45,290		
Franchise Taxes				752,946	-	752,946		
Grants and Contributions not Restricted to Specific Programs				1,512,756	-	1,512,756		
Royal Gorge Bridge Revenues				2,365,717	-	2,365,717		
Investment Earnings				113,962	105,313	219,275		
Other Revenues				197,743	-	197,743		
Transfers				1,053,000	(1,053,000)	-		
Total General Revenues				18,424,800	(947,687)	17,477,113		
Change in Net Position								
Net Position, Beginning of year				4,692,038	1,512,288	6,204,326		
Net Position, End of year				80,359,824	36,349,303	116,709,127		
				\$ 85,051,862	\$ 37,861,591	\$ 122,913,453		

City of Cañon City, Colorado

Balance Sheet Governmental Funds December 31, 2020

	General	Quality of Life	Street Improvement	Other Governmental Funds	Totals
Assets					
Cash and Investments	\$ 8,279,886	\$ 849,391	\$ 1,951,146	\$ 1,921,384	\$ 13,001,807
Receivables					
Taxes	1,270,658	-	355,252	-	1,625,910
Special Assessments	-	-	-	5,228	5,228
Other	1,773,552	71,687	-	250,063	2,095,302
Interfund Receivables	666,666	-	-	1,333,333	1,999,999
Inventory	111,926	-	-	8,581	120,507
Prepaid Items	25,296	-	-	-	25,296
Total Assets	<u>\$ 12,127,984</u>	<u>\$ 921,078</u>	<u>\$ 2,306,398</u>	<u>\$ 3,518,589</u>	<u>\$ 18,874,049</u>
Liabilities					
Accounts Payable	732,248	5,367	30,004	23,037	790,656
Retainage Payable	-	-	-	-	-
Accrued Liabilities	90,194	-	-	8,089	98,283
Deposits	131,100	-	-	1,400	132,500
Unearned Revenues	15,949	-	-	3,987	19,936
Interfund Payables	-	-	3,333,332	-	3,333,332
Total Liabilities	<u>969,491</u>	<u>5,367</u>	<u>3,363,336</u>	<u>36,513</u>	<u>4,374,707</u>
Deferred Inflows of Resources					
Property Taxes and Assessments	458,878	-	-	5,228	464,106
Total Deferred Inflows of Resources	<u>458,878</u>	<u>-</u>	<u>-</u>	<u>5,228</u>	<u>464,106</u>
Fund Balances					
Nonspendable					
Inventory	111,926	-	-	8,581	120,507
Prepaid Items	25,296	-	-	-	25,296
Cemetery Perpetual Care	-	-	-	2,215,461	2,215,461
Interfund Receivable	666,666	-	-	-	666,666
Restricted					
Emergencies	331,000	-	-	-	331,000
Public Safety	(13,795)	-	-	4,432	(9,363)
Culture and Recreation	282,105	-	-	165,649	447,754
Debt Service	-	-	-	4,311	4,311
Committed					
General Government	52,018	-	-	-	52,018
Culture and Recreation	375,000	-	-	-	375,000
Assigned					
General Government	4,920,003	-	-	-	4,920,003
Public Works	353,498	627,606	-	-	981,104
Culture and Recreation	-	9,564	-	754,100	763,664
Debt Service	-	-	-	324,314	324,314
Unassigned	<u>3,595,898</u>	<u>278,541</u>	<u>(1,056,938)</u>	<u>-</u>	<u>2,817,501</u>
Total Fund Balances	<u>10,699,615</u>	<u>915,711</u>	<u>(1,056,938)</u>	<u>3,476,848</u>	<u>14,035,236</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,127,984</u>	<u>\$ 921,078</u>	<u>\$ 2,306,398</u>	<u>\$ 3,518,589</u>	<u>\$ 18,874,049</u>

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

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

Total Fund Balances of Governmental Funds	\$ 14,035,236
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	70,383,289
Noncurrent assets are not available to pay current expenditures and, therefore, are deferred in governmental funds. This amount represents special assessments, and grants not available as current financial resources	5,228
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Notes Payable	(690,000)
Accrued Interest Payable	(1,166)
Accrued Compensated Absences	(478,381)
Net Pension Asset	209,831
Pension-related Deferred Outflows of Resources	912,238
Pension-related Deferred Inflows of Resources	(178,096)
Internal Service Funds are blended into Governmental Activities	853,683
Total Net Position of Governmental Activities	<u>\$ 85,051,862</u>

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

	General	Quality of Life	Street Improvement	Other Governmental Funds	Totals
Revenues					
Taxes and Assessments	\$ 9,206,152	\$ -	\$ 3,975,470	\$ 2,526	\$ 13,184,148
Licenses and Permits	341,933	-	-	-	341,933
Intergovernmental	2,381,280	637,170	-	132,865	3,151,315
Charges for Services	362,250	-	-	79,948	442,198
Fines and Forfeitures	75,322	-	-	-	75,322
Royal Gorge Bridge	782,842	279,390	-	1,303,485	2,365,717
Interest	60,285	4,848	11,934	30,097	107,164
Rent	140,380	-	-	33,122	173,502
Contributions and Donations	287,230	-	-	14,720	301,950
Other	188,529	-	-	3,963	192,492
Total Revenues	<u>13,826,203</u>	<u>921,408</u>	<u>3,987,404</u>	<u>1,600,726</u>	<u>20,335,741</u>
Expenditures					
Current					
General Government	4,108,625	-	-	33	4,108,658
Public Safety	4,729,598	-	-	2,930	4,732,528
Public Works	1,920,755	-	-	-	1,920,755
Culture and Recreation	843,563	-	-	1,286,939	2,130,502
Capital Outlay					
Streets	70,214	709,435	2,343,876	-	3,123,525
Other	1,428,979	59,571	-	66,265	1,554,815
Debt Service					
Principal	318,174	-	-	2,000	320,174
Interest	25,623	-	44,956	140	70,719
Total Expenditures	<u>13,445,531</u>	<u>769,006</u>	<u>2,388,832</u>	<u>1,358,307</u>	<u>17,961,676</u>
Revenues Over (Under) Expenditures	<u>380,672</u>	<u>152,402</u>	<u>1,598,572</u>	<u>242,419</u>	<u>2,374,065</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	61,240	-	-	-	61,240
Transfers In	1,108,000	-	-	7,736	1,115,736
Transfers Out	(40,000)	-	-	(22,736)	(62,736)
Total Other Financing Sources (Uses)	<u>1,129,240</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>1,114,240</u>
Net Change in Fund Balances	<u>1,509,912</u>	<u>152,402</u>	<u>1,598,572</u>	<u>227,419</u>	<u>3,488,305</u>
Fund Balances, Beginning of year	<u>9,189,703</u>	<u>763,309</u>	<u>(2,655,510)</u>	<u>3,249,429</u>	<u>10,546,931</u>
Fund Balances, End of year	<u>\$ 10,699,615</u>	<u>\$ 915,711</u>	<u>\$ (1,056,938)</u>	<u>\$ 3,476,848</u>	<u>\$ 14,035,236</u>

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

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

Net Change in Fund Balances of Governmental Funds	\$ 3,488,305
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Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital Outlay	4,561,952
Depreciation Expense	(3,684,904)
Disposal of Capital Assets	(19,191)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. This amount presents special assessments and grants.

(2,526)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Payments on Long-Term Debt	217,000
Change in Accrued Interest Payable	363
Change in Grants	10,000
Change in Accrued Compensated Absences	(106,497)
Change in Pension Liability	459,841
Change in Pension Related Deferred Outflows of Resources	(157,173)
Change in Pension Related Deferred Inflows of Resources	(160,048)

Internal Service Funds are blended into Governmental Activities:

Fleet Maintenance and Information Technology Funds, Change in Net Position	84,916
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Change in Net Position of Governmental Activities	\$ <u>4,692,038</u>
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City of Cañon City, Colorado

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities			Governmental Activities		
	Water Fund		Stormwater Utility Fund	Totals	Internal Service Funds	
Assets						
Current Assets						
Cash and Investments	\$ 6,580,959	\$ 5,720,934	\$ 12,301,893	\$ 1,054,827		
Receivables						
Accounts	929,720	186,557	1,116,277		1,434	
Other	9,530	150	9,680		-	
Inventory	355,384	-	355,384		-	
Prepaid Expenses	3,154	-	3,154		-	
Total Current Assets	<u>7,878,747</u>	<u>5,907,641</u>	<u>13,786,388</u>		<u>1,056,261</u>	
Noncurrent Assets						
Interfund Receivables	1,333,333	-	1,333,333		-	
Capital Assets						
Not Being Depreciated	1,376,341	974,643	2,350,984		-	
Being Depreciated, Net of Accumulated Depreciation	<u>31,505,036</u>	<u>5,730,366</u>	<u>37,235,402</u>		-	
Total Noncurrent Assets	<u>34,214,710</u>	<u>6,705,009</u>	<u>40,919,719</u>		-	
Total Assets	<u>42,093,457</u>	<u>12,612,650</u>	<u>54,706,107</u>		<u>1,056,261</u>	
Deferred Outflows of Resources						
Loss on Debt Refunding, Net of Accumulated Amortization	<u>433,715</u>	<u>-</u>	<u>433,715</u>		<u>-</u>	
Liabilities						
Current Liabilities						
Accounts Payable	340,767	19,472	360,239		178	
Retainage Payable	4,675	-	4,675		-	
Accrued Interest Payable	20,450	23,927	44,377		-	
Accrued Liabilities	26,769	2,326	29,095		-	
Deposits	41,163	-	41,163		-	
Insurance Claims	-	-	-		202,400	
Unearned Revenues	111,873	2,471	114,344		-	
Accrued Compensated Absences, Current Portion	157,742	7,612	165,354		-	
Certificates of Participation Payable, Current Portion	<u>630,000</u>	<u>270,000</u>	<u>900,000</u>		-	
Total Current Liabilities	<u>1,333,439</u>	<u>325,808</u>	<u>1,659,247</u>		<u>202,578</u>	
Noncurrent Liabilities						
Accrued Compensated Absences	497	5,214	5,711		-	
Certificates of Participation Payable	<u>8,200,000</u>	<u>7,413,273</u>	<u>15,613,273</u>		-	
Total Noncurrent Liabilities	<u>8,200,497</u>	<u>7,418,487</u>	<u>15,618,984</u>		-	
Total Liabilities	<u>9,533,936</u>	<u>7,744,295</u>	<u>17,278,231</u>		<u>202,578</u>	
Net Position						
Net Investment in Capital Assets	24,480,417	(978,264)	23,502,153		-	
Unrestricted	<u>8,512,819</u>	<u>5,846,619</u>	<u>14,359,438</u>		<u>853,683</u>	
Total Net Position	<u>\$ 32,993,236</u>	<u>\$ 4,868,355</u>	<u>\$ 37,861,591</u>		<u>\$ 853,683</u>	

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

	Business-Type Activities			Governmental Activities
	Water Fund	Stormwater	Total	Internal
		Utility Fund		Service Fund
Operating Revenues				
Charges for Services	\$ 7,106,083	\$ 1,833,763	\$ 8,939,846	\$ 2,303,037
Other Operating Revenue	71,425	40,303	111,728	-
Total Operating Revenues	<u>7,177,508</u>	<u>1,874,066</u>	<u>9,051,574</u>	<u>2,303,037</u>
Operating Expenses				
Water Administration	1,050,427	-	1,050,427	-
Utility Billing	235,169	-	235,169	-
Water Treatment	1,692,493	-	1,692,493	-
Transmission and Distribution	1,531,451	-	1,531,451	-
Stormwater Operations	-	359,458	359,458	-
Claims	-	-	-	1,787,081
Premiums	-	-	-	297,076
Administration Fees	-	-	-	140,762
Depreciation	1,357,913	154,904	1,512,817	-
Total Operating Expenses	<u>5,867,453</u>	<u>514,362</u>	<u>6,381,815</u>	<u>2,224,919</u>
Operating Income	<u>1,310,055</u>	<u>1,359,704</u>	<u>2,669,759</u>	<u>78,118</u>
Nonoperating Revenues (Expenses)				
Interest Income	54,355	50,958	105,313	6,798
Interest Expense	(298,745)	(292,991)	(591,736)	-
Total Nonoperating Revenues (Expenses)	<u>(244,390)</u>	<u>(242,033)</u>	<u>(486,423)</u>	<u>6,798</u>
Income Before Capital Contributions & Transfers	<u>1,065,665</u>	<u>1,117,671</u>	<u>2,183,336</u>	<u>84,916</u>
Capital Contributions & Transfers				
Grants	-	100,000	100,000	-
Tap Fees	281,952	-	281,952	-
Transfers In	80,900	-	80,900	-
Transfers Out	(393,800)	(740,100)	(1,133,900)	-
Change in Net Position	<u>1,034,717</u>	<u>477,571</u>	<u>1,512,288</u>	<u>84,916</u>
Net Position, Beginning of year	<u>31,958,519</u>	<u>4,390,784</u>	<u>36,349,303</u>	<u>768,767</u>
Net Position, End of year	<u>\$ 32,993,236</u>	<u>\$ 4,868,355</u>	<u>\$ 37,861,591</u>	<u>\$ 853,683</u>

City of Cañon City, Colorado

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2020

	Business-Type Activities			Governmental Activities	
	Water Fund	Stormwater Utility Fund	Total		
				Internal Service Funds	
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 6,879,218	\$ 1,834,675	\$ 8,713,893	\$ 2,304,785	
Cash Payments to Employees	(1,711,095)	(69,364)	(1,780,459)	-	
Cash Payments to Vendors and Suppliers	(2,560,466)	(370,940)	(2,931,406)	(2,245,342)	
Net Cash Provided by Operating Activities	<u>2,607,657</u>	<u>1,394,371</u>	<u>4,002,028</u>	<u>59,443</u>	
Cash Flows From Noncapital Financing Activities					
Repayment of Loans to Other Funds	222,222	-	222,222	-	
Transfers from Other Funds	80,900	-	80,900	-	
Transfers to Other Funds	(393,800)	(740,100)	(1,133,900)	-	
Net Cash Used in Noncapital Financing Activities	<u>(90,678)</u>	<u>(740,100)</u>	<u>(830,778)</u>	<u>-</u>	
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(1,035,358)	(2,795,586)	(3,830,944)	-	
Tap Fees Received	281,952	-	281,952	-	
Developer Contributions Received	-	100,000	100,000	-	
Principal Payments on Debt	(615,000)	(260,000)	(875,000)	-	
Interest Payments on Debt	(265,404)	(304,801)	(570,205)	-	
Net Cash Used in Capital and Related Financing Activities	<u>(1,633,810)</u>	<u>(3,260,387)</u>	<u>(4,894,197)</u>	<u>-</u>	
Cash Flows from Investing Activities					
Interest Received	<u>54,355</u>	<u>50,958</u>	<u>105,313</u>	<u>6,798</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	937,524	(2,555,158)	(1,617,634)	66,241	
Cash and Cash Equivalents, Beginning of Year	5,643,435	8,276,092	13,919,527	988,586	
Cash and Cash Equivalents, End of Year	\$ 6,580,959	\$ 5,720,934	\$ 12,301,893	\$ 1,054,827	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ 1,310,055	\$ 1,359,704	\$ 2,669,759	\$ 78,118	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	1,357,913	154,904	1,512,817	-	
Changes in Asset and Liabilities					
Accounts Receivable	(289,651)	(39,015)	(328,666)	1,748	
Prepaid Expenses	-	-	-	39,199	
Inventory	11,477	-	11,477	-	
Accounts Payable	252,189	(89,160)	163,029	178	
Accrued Liabilities	(52,000)	(40)	(52,040)	(59,800)	
Deposits	2,922	-	2,922	-	
Unearned Revenue	(11,561)	(376)	(11,937)	-	
Accrued Compensated Absences	<u>26,313</u>	<u>8,354</u>	<u>34,667</u>	<u>-</u>	
Net Cash Provided by Operating Activities	<u>\$ 2,607,657</u>	<u>\$ 1,394,371</u>	<u>\$ 4,002,028</u>	<u>\$ 59,443</u>	

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies

The City of Canon 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

Notes to Financial Statements

December 31, 2020

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

Notes to Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

When both restricted and unrestricted resources are available for a specific use, it is the City's 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 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 *Insurance 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

Notes to Financial Statements

December 31, 2020

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

Notes to Financial Statements

December 31, 2020

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 refunding, are deferred, and amortized over the life of the debt using the straight-line method.

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

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

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 nor 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.

Subsequent Events

The City has evaluated subsequent events through July 7, 2021, the date the financial statements were available to be issued.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 2: Accountability

At December 31, 2020, the Street Improvement Fund had a negative fund balance of \$1,056,938 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 \$1,666,667 of the interfund loans has been repaid, leaving a remaining unpaid balance of \$3,333,333.

Note 3: Cash and Investments

At December 31, 2020, the City had the following cash and investments:

Cash on Hand	\$ 2,652
Deposits	1,973,726
Investments	<u>24,382,149</u>
 Total	 <u>\$ 26,358,527</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, 2020, the City had bank deposits of \$2,715,180 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

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 3: Cash and Investments (Continued)

Investments (Continued)

- Guaranteed investment contracts
- Local government investment pools

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

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

Investment	Maturity	Rating	Total
Local Government Investment Pools	N/A	AAAm	\$ 24,382,149
Total			\$ 24,382,149

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

Notes to Financial Statements

December 31, 2020

Note 4: Capital Assets

Following is a summary of changes in capital assets for the year ended December 31, 2020:

Governmental Activities	Balance 12/31/19	Additions	Transfers	Deletions	Balance 12/31/20
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 3,373,033	\$ -	\$ -	\$ -	\$ 3,373,033
Ditch Stock	7,414	-	-	-	7,414
Construction in Progress	6,061,171	628,738	(5,326,429)	(19,191)	1,344,289
Total Capital Assets, Not Being Depreciated	9,441,618	628,738	(5,326,429)	(19,191)	4,724,736
<i>Capital Assets, Being Depreciated</i>					
Infrastructure	40,217,486	2,518,938	4,916,849	-	47,653,273
Buildings	21,097,520	362,381	34,239	-	21,494,140
Improvements	26,437,035	673,534	357,221	-	27,467,790
Machinery and Equipment	6,506,637	378,361	50,833	(40,747)	6,895,084
Total Capital Assets, Being Depreciated	94,258,678	3,933,214	5,359,142	(40,747)	103,510,287
<i>Less Accumulated Depreciation for</i>					
Infrastructure	(15,387,770)	(1,411,409)	-	-	(16,799,179)
Buildings	(5,674,802)	(651,443)	-	-	(6,326,245)
Improvements	(8,652,028)	(1,184,047)	-	-	(9,836,075)
Machinery and Equipment	(4,460,264)	(438,005)	(32,713)	40,747	(4,890,235)
Total Accumulated Depreciation	(34,174,864)	(3,684,904)	(32,713)	40,747	(37,851,734)
Total Capital Assets, Being Depreciated, Net	60,083,814	248,310	5,326,429	-	65,658,553
Governmental Activities Capital Assets, Net	\$ 69,525,432	\$ 877,048	\$ -	\$ (19,191)	\$ 70,383,289
Business-Type Activities	Balance 12/31/19	Additions	Transfers	Deletions	Balance 12/31/20
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 386,730	\$ -	\$ -	\$ -	\$ 386,730
Construction in Progress	432,619	589,658	(111,561)	-	910,716
Water Rights/Ditch Stock	1,053,538	-	-	-	1,053,538
Total Capital Assets, Not Being Depreciated	1,872,887	589,658	(111,561)	-	2,350,984
<i>Capital Assets, Being Depreciated</i>					
Buildings	9,143,695	-	-	-	9,143,695
Water and Stormwater Systems	48,500,427	3,065,685	111,561	-	51,677,673
Machinery and Equipment	3,550,122	175,601	(32,713)	(85,516)	3,607,494
Total Capital Assets, Being Depreciated	\$ 61,194,244	\$ 3,241,286	\$ 78,848	\$ (85,516)	\$ 64,428,862

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 4: Capital Assets (Continued)

Business-Type Activities (Continued)	Balance 12/31/19	Additions	Transfers	Deletions	Balance 12/31/20
Less Accumulated Depreciation for					
Buildings	\$ (4,922,322)	\$ (177,647)	\$ -	\$ -	\$ (5,099,969)
Water and Stormwater Systems	(17,653,060)	(1,236,449)	-	-	(18,889,509)
Machinery and Equipment	<u>(3,223,490)</u>	<u>(98,721)</u>	<u>32,713</u>	<u>85,516</u>	<u>(3,203,982)</u>
Total Accumulated Depreciation	<u>(25,798,872)</u>	<u>(1,512,817)</u>	<u>32,713</u>	<u>85,516</u>	<u>(27,193,460)</u>
Total Capital Assets, Being Depreciated, Net	<u>35,395,372</u>	<u>1,728,469</u>	<u>111,561</u>	<u>-</u>	<u>37,235,402</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,268,259</u>	<u>\$ 2,318,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,586,386</u>

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

Governmental Activities				
General Government	\$ 227,589			
Public Safety	232,229			
Public Works	1,529,154			
Culture and Recreation	1,695,932			
Total	<u>\$ 3,684,904</u>			

Note 5: Long-Term Debt

Following is a summary of long-term debt transactions of the City for the year ended December 31, 2020:

Government Activities	Balance 12/31/19	Additions	Payments	Balance 12/31/20	Due Within One Year
Public Improvement Bonds	\$ 2,000	\$ -	\$ (2,000)	\$ -	\$ -
Capital Lease	905,000	-	(215,000)	690,000	225,000
Compensated Absences	<u>371,884</u>	<u>581,999</u>	<u>(475,502)</u>	<u>478,381</u>	<u>402,978</u>
Totals	<u>\$ 1,278,884</u>	<u>\$ 581,999</u>	<u>\$ (692,502)</u>	<u>\$ 1,168,381</u>	<u>\$ 627,978</u>
Business-Type Activities	Balance 12/31/19	Additions	Payments	Balance 12/31/20	Due Within One Year
Certificates of Participation, Series 2019 Premium	\$ 7,300,000 679,010	\$ - -	\$ (260,000) (35,737)	\$ 7,040,000 643,273	\$ 270,000 -
Series 2017	9,445,000	-	(615,000)	8,830,000	630,000
Compensated Absences Water Fund	131,926	216,609	(190,296)	158,239	157,742
Compensated Absences Stormwater Fund	<u>4,472</u>	<u>21,271</u>	<u>(12,917)</u>	<u>12,826</u>	<u>7,612</u>
Totals	<u>\$ 17,560,408</u>	<u>\$ 237,880</u>	<u>\$ (1,113,950)</u>	<u>\$ 16,684,338</u>	<u>\$ 1,065,354</u>

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 5: Long-Term Debt (Continued)

Public Improvement Bonds

Several Public Improvement Districts have issued bonds to construct various improvements within the Districts. For the year ended December 31, 2020, revenues of \$3,433 were available to pay debt service of \$2,140. During the year ended December 31, 2020, the Public Improvement Bonds were paid in full.

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.

Annual debt service requirements for the capital lease follow:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 225,000	\$ 14,145	\$ 239,145
2022	230,000	9,533	239,533
2023	235,000	4,817	239,817
Total	\$ 690,000	\$ 28,495	\$ 718,495

Certificates of Participation- Series 2017

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%.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 5: Long-Term Debt (Continued)

Certificates of Participation - Series 2017 (Continued)

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 are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 630,000	\$ 248,123	\$ 878,123
2022	645,000	230,420	875,420
2023	665,000	212,296	877,296
2024	685,000	193,609	878,609
2025	705,000	174,360	879,360
2026-2030	3,815,000	563,967	4,378,967
2031-2032	1,685,000	71,374	1,756,374
Total	\$ 8,830,000	\$ 1,694,149	\$ 10,524,149

Certificates of Participation- Series 2019

In March 2019, the City issued Refunding and Improvement Certificates of Participation, Series 2019, in the principal amount of \$7,470,000, and carried a premium at issuance of \$714,747. The proceeds of will be used to finance the costs of the acquisition and construction of certain storm water improvements. Interest accrues at the rate of 4.0% to 5.0%, and principal and interest payments are due annually on December 1. Annual debt service requirements for the Certificates of Participation are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 270,000	\$ 291,900	\$ 561,900
2022	280,000	281,100	561,100
2023	290,000	269,900	559,900
2024	300,000	258,300	558,300
2025	315,000	246,300	561,300
2026-2030	1,805,000	1,000,550	2,805,550
2031-2035	2,220,000	585,400	2,805,400
2036-2038	1,560,000	126,400	1,686,400
Total	\$ 7,040,000	\$ 3,059,850	\$ 10,099,850

Compensated Absences

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

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

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, 2020, the outstanding balance of the loan was \$3,333,332.

Transfers between funds during the year ended December 31, 2020 consisted of the following:

Transfers In	Transfers Out	Amount
General	Excess Special Improvement	\$ 15,000
Water	General Fund	40,000
Excess Special Improvement District	Public Improvement	7,736
General	Water Fund	393,800
General	Stormwater	<u>740,100</u>
 Total		\$ <u>1,196,636</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 prior year service 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.

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, 2020, 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.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 7: Risk Management (Continued)

Self-Insured Medical Plan (Continued)

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, 2018	\$ 178,400
Claims Incurred and Adjustments	2,041,499
Claims Paid	(1,957,699)
Claims Payable, December 31, 2019	262,200
Claims Incurred and Adjustments	1,727,281
Claims Paid	(1,787,081)
Claims Payable, December 31, 2020	\$ <u>202,400</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.

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.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 8: Employee Retirement Plans

Police Pension Plan

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.

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.

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.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 8: Employee Retirement Plans (Continued)

Police Pension Plan (Continued)

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 11% of base salary, respectively, for the year ended December 31, 2020.

SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

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, 2020, were \$136,534, equal to the required contributions.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 8: Employee Retirement Plans (Continued)

Police Pension Plan (Continued)

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, 2020, 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, 2020, were \$7,017, equal to the required contributions.

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

At December 31, 2020, the City reported a net pension liability (asset) of \$(125,337) and a net pension liability (asset) of (\$84,494) representing its proportionate share of the net pension asset of the SWDB and SWH Plans, respectively.

The net pension liability was measured at December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2020. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2019, relative to the projected contributions of all participating employers.

At December 31, 2019, the City's proportion of the SWDB Plan was 0.22161498%, which was a decrease of 0.02227280% from its proportion measured at December 31, 2018. The City's proportion of the SWH Plan was 0.43388135%, which was an increase of 0.0113008% from its proportion measured at December 31, 2018.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 8: Employee Retirement Plans (Continued)

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

For the year ended December 31, 2020, the City recognized pension expense for the SWDB and SWH Plans of \$57,144 and \$38,468, respectively.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 365,260	\$ 1,912
Net difference between projected and actual earnings on plan investments	- -	149,307
Changes in assumptions and other inputs	204,632	-
Changes in proportion	82,569	14,967
Contributions subsequent to the measurement date	<u>136,534</u>	<u>-</u>
Subtotal	<u>\$ 788,995</u>	<u>\$ 166,186</u>
Statewide Hybrid Plan		
Differences between expected and actual experience	\$ 30,566	\$ -
Net difference between projected and actual earnings on plan investments	- -	7,926
Changes in assumptions and other inputs	5,606	-
Changes in proportion	80,323	3,984
Contributions subsequent to the measurement date	<u>6,748</u>	<u>-</u>
Subtotal	<u>\$ 123,243</u>	<u>\$ 11,910</u>
Total	<u>\$ 912,238</u>	<u>\$ 178,096</u>

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$133,670 and \$6,923, 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,	SWDB	SWH
2021	\$ 34,756	\$ 37,333
2022	98,855	40,640
2023	15,717	24,246
2024	100,601	3,118
2025	94,114	314
Thereafter	<u>142,232</u>	<u>(1,066)</u>
Total	<u>\$ 486,275</u>	<u>\$ 104,585</u>

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 8: Employee Retirement Plans (Continued)

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

Actuarial Assumptions - The actuarial valuation at January 1, 2020, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.5%
Inflation	2.5%
Projected salary increases	4.25% - 11.25%
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.

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

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

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 8: Employee Retirement Plans (Continued)

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

Discount Rate – The discount rate used to measure the total pension liability was 7.0%. 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%.

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 7.0%, 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 (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the SWDB net pension (asset) liability	\$ 759,947	\$ (125,337)	\$ (859,564)
City's proportionate share of the SWH net pension (asset)	<u>(51,390)</u>	<u>(84,494)</u>	<u>(112,188)</u>
Total Net Pension (Asset) Liability	<u>\$ 708,557</u>	<u>\$ (209,831)</u>	<u>\$ (971,752)</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.

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, 2020, the City and employees each contributed \$227,253 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

Notes to Financial Statements

December 31, 2020

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 does not contribute 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.

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

Notes to Financial Statements

December 31, 2020

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, 2020. Contributions to the plan for the year ended December 31, 2020 were \$49,631, equal to the required contributions.

Based on the 2019 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.

Note 10: Commitments and Contingencies

Tabor Amendment

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

In November 2016, Voters authorized the City to collect and retain all revenues from all sources in 2017 and each subsequent year for 10 years and to spend the same, notwithstanding the limitations of the amendment. 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 its compliance. The amendment requires a reserve for emergencies equal to 3% of qualifying expenditures of the City. At December 31, 2020, the City reported restricted fund balance of \$331,000 to comply with this requirement.

City of Cañon City, Colorado

Notes to Financial Statements

December 31, 2020

Note 10: Commitments and Contingencies (Continued)

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 \$331,000 at December 31, 2020, which was reported as restricted fund balance in the General Fund.

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 approximately \$375,000 and \$37,500, 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.

Required Supplementary Information

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes and Assessments	\$ 8,425,476	\$ 9,206,152	\$ 780,676
Licenses and Permits	453,200	341,933	(111,267)
Intergovernmental	1,486,597	2,381,280	894,683
Charges for Services	201,500	362,250	160,750
Fines and Forfeitures	100,200	75,322	(24,878)
Royal Gorge Bridge	1,161,780	782,842	(378,938)
Interest Income	150,000	60,285	(89,715)
Rent	120,000	140,380	20,380
Contributions and Donations	14,500	287,230	272,730
Other	141,400	188,529	47,129
 Total Revenue	 12,254,653	 13,826,203	 1,571,550
Expenditures			
Current			
General Government	4,365,363	4,108,625	256,738
Public Safety	5,250,022	4,729,598	520,424
Public Works	2,503,902	1,920,755	583,147
Culture and Recreation	908,351	843,563	64,788
Capital Outlay			
Streets	719,000	70,214	648,786
Other	1,732,583	1,428,979	303,604
Debt Service			
Principal	318,174	318,174	-
Interest	25,625	25,623	2
 Total Expenditures	 15,823,020	 13,445,531	 2,377,489
Excess Revenues Over (Under) Expenditures	(3,568,367)	380,672	3,949,039
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	5,000	61,240	56,240
Transfers In	1,108,000	1,108,000	-
Transfers Out	(40,000)	(40,000)	-
 Total Other Financing Sources (Uses)	 1,073,000	 1,129,240	 56,240
Change in Fund Balance	(2,495,367)	1,509,912	4,005,279
Fund Balance, Beginning of Year	8,265,934	9,189,703	923,769
Fund Balance, End of Year	\$ 5,770,567	\$ 10,699,615	\$ 4,929,048

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, 2020

	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net Pension Asset			
City's Proportion of the Net Pension Assets	0.22161498%	0.24388777%	0.26869046%
City's Proportion Share of the Net Pension Asset (Liability)	\$ 125,337	\$ (308,341)	\$ 386,554
City's Covered Payroll	\$ 1,597,543	\$ 1,592,917	\$ 1,519,823
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	7.8%	(19.9)%	25.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.9%	95.2%	106.3%
 City Contribution			
Statutorily Required Contribution	\$ 136,534	\$ 133,506	\$ 130,696
Contributions in Relation to the Statutorily Required Contribution	(136,534)	(133,506)	(130,696)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,706,679	\$ 1,597,543	\$ 1,592,917
Contributions as a Percentage of Covered Payroll	8.00%	8.36%	8.20%

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 information is available.

(Continued)

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, 2020

(Continued)

	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Asset				
City's Proportion of the Net Pension Assets	0.26473647%	0.25185527%	0.00235213%	0.21431916%
City's Proportion Share of the Net Pension Asset (Liability)	\$ (95,659)	\$ 4,440	\$ 265,457	\$ 191,641
City's Covered Payroll	\$ 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	(7.3)%	0.4%	27.0%	23.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.2%	100.1%	107.0%	106.0%
 City Contribution				
Statutorily Required Contribution	\$ 125,732	\$ 108,390	\$ 97,674	\$ 84,621
Contributions in Relation to the Statutorily Required Contribution	(125,732)	(108,390)	(97,674)	(84,621)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,519,823	\$ 1,311,504	\$ 1,179,685	\$ 998,713
Contributions as a Percentage of Covered Payroll	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 information is available.

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 Hybrid Defined Benefit Plan For the Year Ended December 31, 2020

	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net Pension Asset			
City's Proportion of the Net Pension Assets	0.43388135%	0.42258055%	0.41889357%
City's Proportion Share of the Net Pension Asset (Liability)	\$ 84,494	\$ 58,331	\$ 81,905
City's Covered Payroll	\$ 66,626	\$ 67,352	\$ 64,048
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	126.8%	86.6%	127.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	130.1%	123.5%	139.0%
 City Contribution	 12/31/20	 12/31/19	 12/31/18
Statutorily Required Contribution	\$ 7,107	\$ 6,924	\$ 6,735
Contributions in Relation to the Statutorily Required Contribution	(7,107)	(6,924)	(6,735)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 70,166	\$ 66,626	\$ 67,352
Contributions as a Percentage of Covered Payroll	10.13%	10.39%	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 information is available.

(Continued)

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 Hybrid Defined Benefit Plan For the Year Ended December 31, 2020

(Continued)

	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Asset				
City's Proportion of the Net Pension Assets	0.51167804%	1.19029991%	2.24608693%	2.71334174%
City's Proportion Share of the Net Pension Asset (Liability)	\$ 55,697	\$ 125,373	\$ 266,377	\$ 276,765
City's Covered Payroll	\$ 66,170	\$ 156,746	\$ 278,030	\$ 351,024
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	84.0%	80.0%	96.0%	79.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.0%	129.0%	141.0%	139.0%
 City Contribution				
Statutorily Required Contribution	\$ 6,405	\$ 6,617	\$ 15,675	\$ 27,803
Contributions in Relation to the Statutorily Required Contribution	(6,405)	(6,617)	(15,675)	(27,803)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 64,048	\$ 66,170	\$ 156,746	\$ 278,030
Contributions as a Percentage of Covered Payroll	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 information is available.

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

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.

Combining and Individual Fund Statements and Schedules

City of Cañon City, Colorado

Nonmajor Governmental Funds
December 31, 2020

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, 2020

	Special Revenue Funds					Debt Service Funds		Permanent Fund	
	Park Improvement	Conservation Trust	Police Forfeiture	Library Donations	Museum Donations	Public Improvement Districts	Excess Special Improvement District	Cemetery	Totals
Assets									
Cash	\$ 486,143	\$ 64,006	\$ 4,432	\$ 42,742	\$ 113,308	\$ 4,311	\$ 324,314	\$ 882,128	\$ 1,921,384
Receivables									
Special Assessments	-	-	-	-	-	5,228	-	-	5,228
Other	250,063	-	-	-	-	-	-	-	250,063
Interfund Receivables	-	-	-	-	-	-	-	1,333,333	1,333,333
Inventory	8,581	-	-	-	-	-	-	-	8,581
Total Assets	\$ 744,787	\$ 64,006	\$ 4,432	\$ 42,742	\$ 113,308	\$ 9,539	\$ 324,314	\$ 2,215,461	\$ 3,518,589
Liabilities									
Accounts Payable	\$ 22,222	\$ 815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,037
Accrued Liabilities	8,089	-	-	-	-	-	-	-	8,089
Deposits	1,400	-	-	-	-	-	-	-	1,400
Unearned Revenues	3,987	-	-	-	-	-	-	-	3,987
Total Liabilities	\$ 35,698	\$ 815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,513
Deferred Inflows of Resources									
Assessments	-	-	-	-	-	5,228	-	-	5,228
Total Deferred Inflows of Resources	-	-	-	-	-	5,228	-	-	5,228
Fund Balances									
Nonspendable									
Inventory	8,581	-	-	-	-	-	-	-	8,581
Cemetery Perpetual Care	-	-	-	-	-	-	-	2,215,461	2,215,461
Restricted for									
Public Safety	-	-	4,432	-	-	-	-	-	4,432
Culture and Recreation	-	63,191	-	13,386	89,072	-	-	-	165,649
Debt Service	-	-	-	-	-	4,311	-	-	4,311
Assigned to									
Culture and Recreation	700,508	-	-	29,356	24,236	-	-	-	754,100
Debt Service	-	-	-	-	-	324,314	-	-	324,314
Total Fund Balances	\$ 709,089	\$ 63,191	\$ 4,432	\$ 42,742	\$ 113,308	\$ 4,311	\$ 324,314	\$ 2,215,461	\$ 3,476,848
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 744,787	\$ 64,006	\$ 4,432	\$ 42,742	\$ 113,308	\$ 9,539	\$ 324,314	\$ 2,215,461	\$ 3,518,589

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

	Special Revenue Funds					Debt Service Funds		Permanent Fund	
	Park Improvement	Conservation Trust	Police Forfeiture	Library Donations	Museum Donations	Public Improvement Districts	Excess Special Improvement District	Cemetery	Totals
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Assessments	-	-	-	-	-	2,526	-	-	2,526
Intergovernmental	9,576	116,180	-	7,109	-	-	-	-	132,865
Charges for Services	64,106	-	-	-	-	-	-	-	79,948
Royal Gorge Bridge	1,303,485	-	-	-	-	-	-	-	1,303,485
Interest	3,380	449	36	249	785	907	2,103	22,188	30,097
Rent	33,122	-	-	-	-	-	-	-	33,122
Contributions and Donations	10	-	-	3,374	11,336	-	-	-	14,720
Other	3,763	-	-	-	-	-	-	200	3,963
Total Revenues	1,417,442	116,629	36	10,732	12,121	3,433	2,103	38,230	1,600,726
Expenditures									
Current									
General Government	-	-	-	-	-	33	-	-	33
Public Safety	-	-	2,930	-	-	-	-	-	2,930
Culture and Recreation	1,256,343	12,998	-	8,351	9,247	-	-	-	1,286,939
Capital Outlay									
Other	10,905	55,360	-	-	-	-	-	-	66,265
Debt Service									
Principal	-	-	-	-	-	2,000	-	-	2,000
Interest	-	-	-	-	-	140	-	-	140
Total Expenditures	1,267,248	68,358	2,930	8,351	9,247	2,173	-	-	1,358,307
Excess of Revenues Over (Under) Expenditures									
	150,194	48,271	(2,894)	2,381	2,874	1,260	2,103	38,230	242,419
Other Financing Sources (Uses)									
Transfers In	-	-	-	-	-	-	7,736	-	7,736
Transfers Out	-	-	-	-	-	(7,736)	(15,000)	-	(22,736)
Total Other Financing Sources (Uses)	-	-	-	-	-	(7,736)	(7,264)	-	(15,000)
Net Change in Fund Balances									
Fund Balances, Beginning of year	558,895	14,920	7,326	40,361	110,434	10,787	329,475	2,177,231	3,249,429
Fund Balances, End of year	\$ 709,089	\$ 63,191	\$ 4,432	\$ 42,742	\$ 113,308	\$ 4,311	\$ 324,314	\$ 2,215,461	\$ 3,476,848

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 3,772,100	\$ 3,975,470	\$ 203,370
Investment Income	<u>55,000</u>	<u>11,934</u>	<u>(43,066)</u>
Total Revenues	<u>3,827,100</u>	<u>3,987,404</u>	<u>160,304</u>
Expenditures			
Capital Outlay			
Streets	3,500,000	2,343,876	1,156,124
Debt Service			
Interest	<u>122,200</u>	<u>44,956</u>	<u>77,244</u>
Total Expenditures	<u>3,622,200</u>	<u>2,388,832</u>	<u>1,233,368</u>
Net Change in Fund Balance	204,900	1,598,572	1,393,672
Fund Balance, Beginning of year	<u>2,012,960</u>	<u>(2,655,510)</u>	<u>(4,668,470)</u>
Fund Balance, End of year	<u>\$ 2,217,860</u>	<u>\$ (1,056,938)</u>	<u>\$ (3,274,798)</u>

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Quality of Life Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 2,099,462	\$ 637,170	\$ (1,462,292)
Royal Gorge Bridge	279,390	279,390	-
Investment Income	<u>10,000</u>	<u>4,848</u>	<u>(5,152)</u>
Total Revenues	<u>2,388,852</u>	<u>921,408</u>	<u>(1,467,444)</u>
Expenditures			
Capital Outlay			
Streets	2,008,664	709,435	1,299,229
Other	<u>400,000</u>	<u>59,572</u>	<u>340,428</u>
Total Expenditures	<u>2,408,664</u>	<u>769,007</u>	<u>1,639,657</u>
Excess of Revenues Over (Under) Expenditures	(19,812)	152,401	172,213
Other Financing Sources			
Transfers In	<u>52,000</u>	-	<u>(52,000)</u>
Net Change in Fund Balance	32,188	152,401	120,213
Fund Balance, Beginning of year	<u>599,686</u>	<u>763,310</u>	<u>163,624</u>
Fund Balance, End of year	<u>\$ 631,874</u>	<u>\$ 915,711</u>	<u>\$ 283,837</u>

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Park Improvement Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 121,100	\$ 64,106	\$ (56,994)
Royal Gorge Bridge	1,303,485	1,303,485	-
Intergovernmental	-	9,576	9,576
Interest Income	7,500	3,380	(4,120)
Rent	29,000	33,122	4,122
Contributions and Donations	-	10	10
Other	3,000	3,763	763
Total Revenues	1,464,085	1,417,442	(46,643)
Expenditures			
Culture and Recreation	1,454,685	1,256,343	198,342
Capital Outlay	85,000	10,905	74,095
Total Expenditures	1,539,685	1,267,248	272,437
Net Change in Fund Balance	(75,600)	150,194	225,794
Fund Balance, Beginning of year	433,960	558,895	124,935
Fund Balance, End of year	\$ 358,360	\$ 709,089	\$ 350,729

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 115,000	\$ 116,180	\$ 1,180
Investment Income	<u>1,000</u>	<u>449</u>	<u>(551)</u>
Total Revenues	<u>116,000</u>	<u>116,629</u>	<u>629</u>
Expenditures			
Culture and Recreation	23,000	12,998	10,002
Capital Outlay	<u>125,500</u>	<u>55,360</u>	<u>70,140</u>
Total Expenditures	<u>148,500</u>	<u>68,358</u>	<u>80,142</u>
Net Change in Fund Balance	(32,500)	48,271	80,771
Fund Balance, Beginning of year	<u>34,942</u>	<u>14,920</u>	<u>(20,022)</u>
Fund Balance, End of year	<u>\$ 2,442</u>	<u>\$ 63,191</u>	<u>\$ 60,749</u>

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Library Donations Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 31,000	\$ 7,109	\$ (23,891)
Investment Income	800	249	(551)
Contributions and Donations	<u>5,000</u>	<u>3,374</u>	<u>(1,626)</u>
Total Revenues	<u>36,800</u>	<u>10,732</u>	<u>(26,068)</u>
Expenditures			
Culture and Recreation	<u>39,200</u>	<u>8,351</u>	<u>30,849</u>
Total Expenditures	<u>39,200</u>	<u>8,351</u>	<u>30,849</u>
Net Change in Fund Balance	(2,400)	2,381	4,781
Fund Balance, Beginning of year	<u>47,495</u>	<u>40,361</u>	<u>(7,134)</u>
Fund Balance, End of year	<u>\$ 45,095</u>	<u>\$ 42,742</u>	<u>\$ (2,353)</u>

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Museum Donations Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ 1,500	\$ 785	\$ (715)
Contributions and Donations	<u>5,000</u>	<u>11,336</u>	<u>6,336</u>
Total Revenues	<u>6,500</u>	<u>12,121</u>	<u>5,621</u>
Expenditures			
Culture and Recreation	5,000	9,247	(4,247)
Excess Revenues Over (Under) Expenditures	1,500	2,874	1,374
Other Financing Sources (Uses)			
Transfers Out	(52,000)	-	52,000
Total Other Financing Sources (Uses)	<u>(52,000)</u>	<u>-</u>	<u>52,000</u>
Net Change in Fund Balance	(50,500)	2,874	53,374
Fund Balance, Beginning of year	<u>115,899</u>	<u>110,434</u>	<u>(5,465)</u>
Fund Balance, End of year	<u>\$ 65,399</u>	<u>\$ 113,308</u>	<u>\$ 47,909</u>

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Excess Special Improvement District Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ 8,000	\$ 2,103	\$ (5,897)
Total Revenues	<u>8,000</u>	<u>2,103</u>	<u>(5,897)</u>
Other Financing Sources (Uses)			
Transfer In	-	7,736	7,736
Transfer Out	(15,000)	(15,000)	-
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(7,264)</u>	<u>7,736</u>
Net Change in Fund Balance	(7,000)	(5,161)	1,839
Fund Balance, Beginning of year	<u>320,654</u>	<u>329,475</u>	<u>8,821</u>
Fund Balance, End of year	<u>\$ 313,654</u>	<u>\$ 324,314</u>	<u>\$ 10,660</u>

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 7,319,900	\$ 7,115,853	\$ (204,047)
Investment Income	118,700	54,355	(64,345)
Tap Fees	137,100	281,952	144,852
Other	76,600	61,655	(14,945)
Total Revenues	7,652,300	7,513,815	(138,485)
Expenditures			
Water Administration	1,129,047	1,050,427	78,620
Utility Billing	267,341	235,168	32,173
Water Treatment	1,897,258	1,692,493	204,765
Transmission and Distribution	1,633,441	1,531,380	102,061
Capital Outlays	1,810,532	1,035,500	775,032
Debt Principal Payment	615,000	615,000	-
Interest Expense	268,155	262,602	5,553
Total Expenditures	7,620,774	6,422,570	1,198,204
Revenues Over (Under) Expenditures	31,526	1,091,245	1,059,719
Transfers			
Transfers In	80,900	80,900	-
Transfers Out	<u>(393,800)</u>	<u>(393,800)</u>	<u>-</u>
Change in Net Position - Budgetary Basis	\$ (281,374)	778,345	\$ 1,059,719
Adjustments to GAAP Basis			
Capital Outlay	1,035,428		
Amortization of Bond Premiums	(36,143)		
Debt Principal Payments	615,000		
Depreciation	<u>(1,357,913)</u>		
Change in Net Position, GAAP Basis	\$ 1,034,717		

City of Cañon City, Colorado
 Budgetary Comparison Schedule
 Stormwater Utility Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 1,622,900	\$ 1,833,763	\$ 210,863
Grants	100,000	100,000	100,000
Investment Income	100,000	50,958	(49,042)
Other	9,000	40,303	31,303
Total Revenues	1,731,900	2,025,024	293,124
Expenditures			
Stormwater Operations	323,037	359,458	(36,421)
Capital Outlay	6,517,000	2,798,711	3,718,289
Debt Service			
Interest Expense	562,300	292,991	269,309
Total Expenditures	7,402,337	3,451,160	3,951,177
Revenues Over (Under) Expenditures	(5,670,437)	(1,426,136)	4,244,301
Transfers			
Transfers Out	(740,100)	(740,100)	-
Change in Net Position - Budgetary Basis	\$ (6,410,537)	(2,166,236)	\$ 4,244,301
Adjustments to GAAP Basis			
Capital Outlay	2,798,711		
Depreciation	(154,904)		
Change in Net Position, GAAP Basis	\$ 477,571		

City of Cañon City, Colorado

Budgetary Comparison Schedule
 Insurance Internal Service Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 2,571,026	\$ 2,303,037	\$ (267,989)
Investment Income	20,000	6,798	(13,202)
Total Revenues	<u>2,591,026</u>	<u>2,309,835</u>	<u>(281,191)</u>
Expenditures			
Claims	1,924,592	1,787,081	137,511
Premiums	385,100	297,076	88,024
Administration Fees	171,950	140,762	31,188
Total Expenditures	<u>2,481,642</u>	<u>2,224,919</u>	<u>256,723</u>
Change in Net Position - Budgetary and GAAP Basis	\$ 109,384	\$ 84,916	\$ (24,468)

Statistical Section

City of Cañon City, Colorado
Statistical Section
Table of Contents
December 31, 2020

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.

<u>Contents</u>	<u>Pages</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	55-60
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City's most significant revenue sources.	61-68
<i>Debt Capacity</i>	
These schedules 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.	69-72
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	73-75
<i>Operating Information</i>	
These schedules 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.	76-77

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

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

(accrual basis of accounting)

TABLE 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 27,055,940	\$ 27,249,621	\$ 25,273,593	\$ 46,575,092	\$ 50,156,551	\$ 50,472,851	\$ 57,696,290	\$ 62,253,191	\$ 68,575,855	\$ 69,693,289
Restricted for:										
Cemetery Perpetual Care - nonexpendable	1,881,338	1,905,732	1,926,730	1,951,142	1,975,412	1,996,779	2,037,685	2,102,974	2,102,974	2,177,231
Emergencies	246,227	247,246	249,556	260,267	268,253	278,747	302,055	318,440	339,241	331,000
Public safety	12,205	9,761	9,777	33,260	22,173	23,765	24,777	22,766	9,395	(9,363)
Culture and Recreation	223,104	269,109	226,808	183,399	139,384	163,205	162,424	191,337	187,183	447,754
Debt Service	273,461	135,841	95,951	84,873	99,266	83,089	27,918	11,563	21,412	4,311
Unrestricted	5,510,222	6,013,144	6,158,731	7,793,247	9,291,929	10,620,163	7,538,427	10,355,793	9,123,764	12,407,640
Total governmental activities net position	<u>35,202,497</u>	<u>35,830,454</u>	<u>33,941,146</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>	<u>80,359,824</u>	<u>85,051,862</u>
Business-type activities										
Net investment in capital assets	26,880,924	27,374,668	28,152,215	28,039,979	28,281,711	27,400,608	27,798,118	27,723,414	19,844,249	23,502,153
Unrestricted	8,583,796	8,279,150	7,116,891	7,356,665	7,196,834	8,616,402	8,034,868	8,314,748	16,505,054	14,359,438
Total business-type activities net position	<u>35,464,720</u>	<u>35,653,818</u>	<u>35,269,106</u>	<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>	<u>36,349,303</u>	<u>37,861,591</u>

CITY OF CAÑON CITY, COLORADO

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

TABLE 1

(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary government										
Net investment in capital assets	53,936,864	54,624,289	53,425,808	74,615,071	78,438,262	77,873,459	85,494,408	89,976,605	88,420,104	93,195,442
Restricted for:										
Cemetery Perpetual Care - nonexpendable	1,881,338	1,905,732	1,926,730	1,951,142	1,975,412	1,996,779	2,037,685	2,102,974	2,102,974	2,177,231
Emergencies	246,227	247,246	249,556	260,267	268,253	278,747	302,055	318,440	339,241	331,000
Public Safety	12,205	9,761	9,777	33,260	22,173	23,765	24,777	22,766	9,395	(9,363)
Culture and Recreation	223,104	269,109	226,808	183,399	139,384	163,205	162,424	191,337	187,183	447,754
Debt Service	273,461	135,841	95,951	84,873	99,266	83,089	27,918	11,563	21,412	4,311
Unrestricted	14,094,018	14,292,294	13,275,622	15,149,912	16,488,763	19,236,565	15,573,295	18,670,541	25,628,818	26,767,078
Total primary government net position	<u>\$ 70,667,217</u>	<u>\$ 71,484,272</u>	<u>\$ 69,210,252</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>	<u>\$ 116,709,127</u>	<u>\$ 122,913,453</u>

Source: City of Canon City, Colorado, audited financial statements, 2011-2020.

CITY OF CAÑON CITY, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Unaudited)

(accrual basis of accounting)

TABLE 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 2,412,572	\$ 2,516,575	\$ 2,444,384	\$ 2,454,861	\$ 2,525,751	\$ 2,667,946	\$ 3,305,686	\$ 3,743,706	\$ 3,535,379	\$ 4,448,780
Public Safety	3,557,465	3,909,411	3,871,625	3,537,391	3,597,392	3,909,543	4,460,327	4,312,632	4,977,168	4,790,462
Public Works	2,465,512	2,559,669	2,575,407	2,824,019	2,789,143	2,681,027	3,069,511	3,399,296	3,615,072	3,718,022
Culture and Recreation	2,536,150	2,569,102	2,424,779	1,804,892	3,174,986	3,379,935	3,229,441	3,555,067	3,884,311	3,815,075
Interest on Long-term Debt	4,200	7,550	31,528	46,799	41,255	36,512	91,028	144,815	133,122	171,390
Total Governmental Activities Expenses	<u>10,975,899</u>	<u>11,562,307</u>	<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>	<u>16,145,052</u>	<u>16,943,729</u>
Business-type Activities										
Water	5,412,055	5,764,390	5,789,256	6,280,169	5,749,551	5,650,774	5,819,458	6,330,927	6,711,905	6,166,198
Stormwater Utility	407,764	572,399	369,222	550,073	467,642	408,173	662,717	654,554	781,816	807,353
Canon City Finance Authority	175,544	163,055	109,512	-	-	-	-	-	-	-
Total Business-type Activities Expenses	<u>5,995,363</u>	<u>6,499,844</u>	<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>7,493,721</u>	<u>6,973,551</u>
Total Primary Government Expenses	<u>\$ 16,971,262</u>	<u>\$ 18,062,151</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>	<u>\$ 23,638,773</u>	<u>\$ 23,917,280</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 219,072	\$ 272,919	\$ 332,916	\$ 255,882	\$ 212,959	\$ 197,812	\$ 405,555	\$ 422,448	\$ 453,107	\$ 317,797
Public Safety	314,490	295,914	282,369	353,534	288,423	358,712	335,441	272,064	271,804	245,058
Public Works	59,965	36,656	22,622	29,796	29,792	24,650	146,056	121,184	153,417	210,599
Culture and Recreation	259,471	238,485	194,226	222,109	222,312	218,538	274,745	274,710	284,834	259,500
Operating Grants and Contributions	1,079,215	843,263	865,731	977,913	820,047	829,770	800,709	983,724	1,065,475	1,350,139
Capital Grants and Contributions	731,866	1,244,601	1,067,004	22,339,827	4,446,799	1,676,654	893,688	4,099,710	1,411,625	827,874
Total Governmental Activities Program Revenues	<u>2,664,079</u>	<u>2,931,838</u>	<u>2,764,868</u>	<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>	<u>3,640,262</u>	<u>3,210,967</u>
Business-type Activities										
Water	6,027,963	6,114,574	5,693,717	5,738,437	5,745,655	6,007,315	5,864,244	6,452,663	6,788,323	7,459,460
Stormwater Utility	791,893	962,435	798,769	801,538	802,310	806,851	898,771	1,086,575	1,665,080	1,874,066
Canon City Finance Authority	241,892	237,082	43,308	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	171,516	751,852	128,615	-	-	147,500	36,579	-
Capital Grants and Contributions	89,997	111,528	82,565	123,501	53,500	187,300	248,000	307,699	-	100,000
Total Business-type Activities Program Revenues	<u>7,151,745</u>	<u>7,425,619</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>8,489,982</u>	<u>9,433,526</u>
Total Primary Government Revenues	<u>\$ 9,815,824</u>	<u>\$ 10,357,457</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>	<u>\$ 12,130,244</u>	<u>\$ 12,644,493</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (8,311,820)	\$ (8,630,469)	\$ (8,582,855)	\$ 13,511,099	\$ (6,108,195)	\$ (9,368,827)	\$ (11,299,799)	\$ (8,981,676)	\$ (12,504,790)	\$ (13,732,762)
Business-type Activities	1,156,382	925,775	521,885	585,086	512,887	942,519	528,840	1,008,956	996,261	2,459,975
Total Primary Government Net Expense	<u>\$ (7,155,438)</u>	<u>\$ (7,704,694)</u>	<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>	<u>\$ (11,508,529)</u>	<u>\$ (11,272,787)</u>

CITY OF CAÑON CITY, COLORADO

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

TABLE 2

(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 440,571	\$ 434,508	\$ 436,009	\$ 430,871	\$ 426,772	\$ 439,004	\$ 451,420	\$ 452,830	\$ 462,806	\$ 494,643
Sales and Use Taxes	5,239,514	5,478,503	5,613,219	5,886,441	6,291,664	6,540,451	10,310,359	10,838,128	11,213,904	11,888,743
Other Taxes	17,736	14,190	19,771	13,831	31,747	18,262	24,825	28,780	32,277	45,290
Franchise Taxes	714,621	790,382	754,285	797,459	802,527	800,723	777,740	786,863	765,657	752,946
Grants and Contributions not Restricted	290,551	297,084	260,251	290,581	263,603	276,061	273,019	290,790	321,226	1,512,756
Royal Gorge Bridge Revenues	1,680,695	1,681,688	1,346,351	1,347,351	2,130,552	2,387,470	2,532,623	2,714,331	2,726,245	2,365,717
Investment Earnings	42,013	40,536	35,357	27,980	29,821	71,961	183,090	319,102	257,941	113,962
Other Revenues	167,651	186,133	176,568	167,721	178,667	76,826	96,100	64,340	837,014	197,743
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Extraordinary Item	-	-	(2,865,998)	-	-	-	-	-	-	-
Transfers	321,000	335,400	917,734	466,800	443,700	443,700	801,600	953,000	991,480	1,053,000
Total Governmental Activities	8,914,352	9,258,424	6,693,547	9,429,035	10,599,053	11,054,458	15,450,776	16,448,164	17,608,550	18,424,800
Business-type Activities:										
Unrestricted Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Investment Earnings	17,695	19,454	11,137	9,252	12,714	39,646	88,736	149,220	306,360	105,313
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	(321,000)	(335,400)	(917,734)	(466,800)	(443,700)	(443,700)	(801,600)	(953,000)	(991,480)	(1,053,000)
Total Business-type Activities	(303,305)	(315,946)	(906,597)	(457,548)	(430,986)	(404,054)	(712,864)	(803,780)	(685,120)	(947,687)
Total Primary Government	\$ 8,611,047	\$ 8,942,478	\$ 5,786,950	\$ 8,971,487	\$ 10,168,067	\$ 10,650,404	\$ 14,737,912	\$ 15,644,384	\$ 16,923,430	\$ 17,477,113
Change in Net Position										
Government Activities	\$ 602,532	\$ 627,955	\$ (1,889,308)	\$ 22,940,134	\$ 4,490,858	\$ 1,685,631	\$ 4,150,977	\$ 7,466,488	\$ 5,103,760	\$ 4,692,038
Business-type Activities	853,077	609,829	(384,712)	127,538	81,901	538,465	(184,024)	205,176	311,141	1,512,288
Total Primary Government	\$ 1,455,609	\$ 1,237,784	\$ (2,274,020)	\$ 23,067,672	\$ 4,572,759	\$ 2,224,096	\$ 3,966,953	\$ 7,671,664	\$ 5,414,901	\$ 6,204,326

Source: City of Canon City, Colorado, audited financial statements, 2011-2020.

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.

CITY OF CAÑON CITY, COLORADO

**FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)**

TABLE 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable:	\$ 125,143	\$ 123,052	\$ 123,538	\$ 124,856	\$ 132,938	\$ 105,649	\$ 1,096,509	\$ 999,565	\$ 896,747	\$ 803,888
Restricted	246,227	247,246	630,479	283,735	280,615	292,643	316,859	331,811	339,241	599,310
Committed	690,285	333,501	456,186	574,233	692,307	711,832	721,351	716,575	310,146	427,018
Assigned	1,088,541	1,550,381	1,497,635	1,851,105	2,082,151	4,598,958	2,941,251	4,209,427	4,390,827	5,273,501
Unassigned	2,367,918	2,966,194	2,933,037	4,014,470	4,349,153	3,008,801	3,237,837	3,379,467	3,252,742	3,595,898
Total general fund	\$ 4,518,114	\$ 5,220,374	\$ 5,640,875	\$ 6,848,399	\$ 7,537,164	\$ 8,717,883	\$ 8,313,807	\$ 9,636,845	\$ 9,189,703	\$ 10,699,615
Quality of Life Fund										
Assigned	-	-	-	-	-	-	-	705,286	763,309	637,170
Unassigned	-	-	-	-	-	-	-	-	-	278,541
Total quality of life fund	\$ -	\$ 705,286	\$ 763,309	\$ 915,711						
Street Improvement Fund										
Unassigned (a)	-	-	-	-	-	-	-	(3,470,647)	(1,595,293)	(2,655,510)
Total street improvement fund	\$ -	\$ (3,470,647)	\$ (1,595,293)	\$ (2,655,510)						
All Other Governmental Funds										
Nonspendable:	\$ 1,916,733	\$ 1,944,263	\$ 1,958,428	\$ 1,991,569	\$ 1,985,389	\$ 2,007,085	\$ 2,052,490	\$ 2,112,727	\$ 2,187,195	\$ 2,224,042
Restricted	508,770	414,711	332,536	278,064	248,461	256,163	200,315	212,295	133,274	174,392
Assigned	637,941	649,809	1,008,294	790,919	808,806	1,128,367	1,461,583	944,526	928,960	1,078,414
Total all other governmental funds	\$ 3,063,444	\$ 3,008,783	\$ 3,299,258	\$ 3,060,552	\$ 3,042,656	\$ 3,391,615	\$ 3,714,388	\$ 3,269,548	\$ 3,249,429	\$ 3,476,848

Source: City of Canon City, Colorado, audited financial statements, 2011-2020.

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.

CITY OF CAÑON CITY, COLORADO

TABLE 4

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes and Assessments	\$ 6,466,213	\$ 6,752,643	\$ 6,864,398	\$ 7,172,454	\$ 7,581,049	\$ 7,811,515	\$ 11,572,187	\$ 12,111,463	\$ 12,478,739	\$ 13,184,148
Licenses and Permits	191,730	200,396	254,992	178,131	172,299	155,126	353,377	476,835	506,103	341,933
Intergovernmental	1,700,522	1,584,268	2,129,372	2,167,225	1,189,731	1,716,151	1,256,891	2,908,361	1,361,870	3,151,315
Charges for Services	219,872	204,644	287,001	357,850	319,616	305,185	413,992	340,068	353,130	442,198
Fines and Forfeitures	228,429	202,302	199,348	226,108	150,723	212,101	192,601	101,843	107,695	75,322
Royal Gorge Bridge	1,680,695	1,681,688	1,346,351	1,347,351	2,130,552	2,387,470	2,532,623	2,714,330	2,726,245	2,365,717
Interest	38,157	37,054	33,689	26,159	27,143	63,531	167,400	292,727	348,714	107,164
Rent	84,953	86,969	90,792	99,232	110,848	127,300	173,383	198,027	198,162	173,502
Contributions & Donations	-	-	34,235	81,818	26,012	43,230	27,715	63,366	15,362	301,950
Financing Proceeds	-	-	-	-	-	-	-	-	320,069	-
Other	411,674	460,006	176,568	151,794	163,596	76,827	96,100	64,342	705,916	192,492
Total Revenues	11,022,245	11,209,970	11,416,746	11,808,122	11,871,569	12,898,436	16,786,269	19,271,362	19,122,005	20,335,741
Expenditures:										
General Government	2,303,510	2,362,557	2,249,376	2,394,491	2,406,151	2,536,948	3,166,582	3,498,475	3,249,142	4,108,658
Public Safety	3,441,605	3,588,535	3,584,951	3,664,306	3,683,567	3,676,267	4,340,891	4,462,689	4,532,707	4,732,528
Public Works	1,565,388	1,575,822	1,610,948	2,005,270	1,918,862	1,739,921	2,221,453	2,309,758	2,313,330	1,920,755
Culture and Recreation	2,110,996	1,973,393	1,999,666	1,595,797	1,794,676	1,925,932	1,942,606	2,098,575	2,233,399	2,130,502
Capital Outlay	-	-	-	-	-	-	7,558,612	3,030,575	5,901,968	3,123,525
Streets (a)	-	-	-	-	-	-	-	-	-	-
Other	1,545,011	1,351,574	1,932,855	1,389,999	1,603,605	1,682,556	1,605,292	2,144,257	2,954,473	1,554,815
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	27,000	42,000	216,000	225,000	231,000	214,000	213,000	212,000	327,245	320,174
Interest	4,200	7,550	27,881	47,168	41,608	36,834	91,383	145,170	140,995	70,719
Debt Issuance Costs	-	-	58,198	-	-	-	-	-	-	-
Total Expenditures	10,997,710	10,901,431	11,679,875	11,322,031	11,679,469	11,812,458	21,139,819	17,901,499	21,653,259	17,961,676
Excess of Revenues over (under) Expenditures	24,535	308,539	(263,129)	486,091	192,100	1,085,978	(4,353,550)	1,369,863	(2,531,254)	2,374,065
Other Financing Sources (Uses)										
Financing Proceeds	-	-	-	-	-	-	-	-	320,069	-
Proceeds from Sale of Capital Assets	32,240	3,660	-	15,927	15,069	-	-	430,689	775,605	61,240
Issuance of Debt	109,000	-	2,310,000	-	20,000	-	-	-	-	-
Insurance Recoveries	-	-	89,244	-	-	-	-	-	-	-
Transfers In	433,951	695,899	561,253	607,555	489,692	471,055	887,965	1,127,876	1,117,599	1,115,736
Transfers Out	(112,951)	(360,499)	(1,986,392)	(140,755)	(45,992)	(27,355)	(86,365)	(174,876)	(126,119)	(62,736)
Total Other Financing Sources (Uses)	462,240	339,060	974,105	482,727	478,769	443,700	801,600	1,383,689	1,767,085	1,114,240
Net Change in Fund Balances	\$ 486,775	\$ 647,599	\$ 710,976	\$ 968,818	\$ 670,869	\$ 1,529,678	\$ (3,551,950)	\$ 2,753,552	\$ (764,169)	\$ 3,488,305
Debt Service as a percentage of noncapital expenditures	0.3%	0.5%	2.6%	2.8%	2.8%	2.5%	2.6%	2.9%	3.8%	3.0%

Source: City of Cañon City, audited financial statements, 2011-2020.

CITY OF CAÑON CITY, COLORADO

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

TABLE 5

Levy Year	Vacant Land	Residential Property	Commercial Property (b)	Industrial Property	Agricultural Property	Natural Resources	State Assessed	Total Taxable Assessed Value	Total Direct Tax Rate (a)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2011	6,933,510	66,802,500	52,409,201	2,482,410	250,820	224,890	7,350,230	136,453,561	2.90	1,124,946,812	12.13%
2012	6,706,040	67,032,690	52,147,401	2,256,400	258,600	208,360	7,012,340	135,621,831	2.89	1,125,155,335	12.05%
2013	6,352,190	63,239,130	51,701,986	2,008,278	277,430	273,193	9,747,786	133,599,993	2.90	1,028,552,826	12.99%
2014	5,890,990	63,162,230	52,352,941	2,277,016	277,450	209,258	7,977,991	132,147,876	2.90	1,024,549,147	12.90%
2015	5,599,800	64,421,260	52,651,377	2,425,369	310,280	161,179	9,318,862	134,888,127	2.90	1,042,524,630	12.94%
2016	5,636,980	64,481,370	52,073,565	2,187,052	311,560	154,719	10,470,807	135,316,053	2.90	1,044,590,804	12.95%
2017	5,970,890	65,330,161	52,811,678	2,068,246	337,267	213,058	10,519,209	137,250,509	2.90	1,144,086,852	12.00%
2018	5,923,329	66,233,783	54,004,989	2,277,998	334,711	110,281	10,919,347	139,804,438	2.89	1,160,526,810	12.05%
2019	5,756,044	77,416,941	56,408,461	2,189,288	293,936	156,841	10,265,259	152,486,770	2.89	1,331,624,963	11.45%
2020	5,578,571	78,574,236	56,672,232	2,190,858	295,654	505,729	10,188,788	154,006,068	2.89	1,347,340,171	11.43%

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 2017 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.

CITY OF CAÑON CITY, COLORADO

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**
(rate per \$1,000 of assessed value)
(Unaudited)

TABLE 6

Levy	Collection	City Basic				Overlapping Rates(b)				
		Rate(a)		Fremont	Cañon	Cañon	S.E. Colorado	Upper		
		City of	Cañon	County	City Fire	City	Water	Arkansas		
Year	Year	City (d)	Cañon	Fremont	School District	Protection	Recreation	Cons.	Water	Total
				County	RE-1 (e,f)	District (c)	District	District	Cons.	
2011	2012	2.901		12.966	35.804	13.000	3.522	0.947	0.495	69.635
2012	2013	2.894		12.924	35.765	13.000	3.517	0.944	0.478	69.522
2013	2014	2.902		12.908	35.672	13.041	3.500	0.940	0.479	69.442
2014	2015	2.901		12.953	35.424	17.729	3.525	0.940	0.478	73.950
2015	2016	2.904		12.322	35.174	17.731	3.524	0.941	0.471	73.067
2016	2017	2.907		12.415	35.155	17.757	3.529	0.940	0.478	73.181
2017	2018	2.899		12.455	41.196	17.729	3.521	0.939	0.481	79.220
2018	2019	2.889		12.312	46.450	18.480	3.515	0.944	0.479	85.069
2019	2020	2.891		12.384	44.353	18.471	3.513	0.902	0.435	82.949
2020	2019	2.900		12.340	44.330	19.520	3.520	0.900	0.450	83.960

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.

CITY OF CAÑON CITY, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Unaudited)

TABLE 7

Levy Year	Collection Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2018	2019	440,886	402,906	91.39%	1,054	403,960	91.62%
2019	2020	446,879	437,734	97.95%	(253)	437,481	97.90%

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.

CITY OF CAÑON CITY, COLORADO

GENERAL REVENUES-TAXES ¶
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

TABLE 8

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sales Tax (a)	\$ 5,127,379	\$ 5,272,864	\$ 5,442,106	\$ 5,799,559	\$ 6,214,004	\$ 6,437,283	\$ 9,879,100	\$ 10,381,151	\$ 10,733,294	\$ 11,507,379
General Property Tax	392,591	387,218	384,554	376,803	370,706	380,914	384,394	386,293	403,960	426,759
Specific Ownership Tax	47,980	47,290	51,455	54,067	56,066	58,090	67,026	66,537	68,741	67,884
Use Tax	112,135	205,639	171,113	86,882	77,660	103,168	431,259	456,977	481,610	381,364
Franchise Taxes:										
Cablevision	121,486	126,954	126,848	126,608	125,406	127,405	126,879	127,233	125,830	127,713
Telephone	16,161	14,728	13,635	12,309	13,853	10,466	9,504	6,717	4,274	3,565
Electricity	434,789	494,428	478,000	498,341	504,831	533,923	512,441	508,406	484,238	488,796
Gas	142,185	124,809	135,802	160,202	158,438	128,929	128,916	144,508	151,315	132,872
Penalty & Interest on Tax	17,736	14,190	19,773	13,831	14,579	18,262	24,825	28,779	32,279	45,290
Total	\$ 6,412,442	\$ 6,688,120	\$ 6,823,287	\$ 7,128,602	\$ 7,535,542	\$ 7,798,440	\$ 11,564,344	\$ 12,106,601	\$ 12,485,541	\$ 13,181,622

Source: City of Canon City, Colorado, audited financial statements, 2011-2020.

(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.

CITY OF CAÑON CITY, COLORADO

SALES TAX BY CATEGORY
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

TABLE 9

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Merchandise	\$ 1,020,142	\$ 1,019,605	\$ 1,010,236	\$ 1,114,726	\$ 1,126,612	\$ 1,165,449	\$ 1,655,771	\$ 1,676,858	\$ 1,895,682	\$ 1,923,284
Food Stores	1,091,007	1,111,862	1,146,225	1,159,484	1,221,314	1,270,504	2,164,190	2,277,781	2,146,232	2,365,225
Restaurants & Bars	580,840	612,023	617,536	638,372	732,718	755,635	1,168,081	1,218,602	1,285,853	1,286,291
Home Furnishings	79,962	78,734	73,909	69,736	81,045	75,886	110,145	119,318	128,323	131,344
Building Materials & Supplies	492,179	512,596	535,444	565,953	625,200	690,789	1,105,928	1,238,908	1,292,532	1,571,063
Auto Dealers & Parts/Supplies	643,835	676,527	708,905	796,958	885,208	867,037	1,311,795	1,441,069	1,490,680	1,511,342
Other Retail Stores	391,709	411,007	493,980	524,320	598,305	612,442	878,623	851,330	916,597	1,119,735
All Other Outlets	235,372	240,434	252,623	281,333	283,102	306,209	477,091	502,245	569,580	643,323
Hotel/Motel	70,301	71,642	68,429	78,409	97,443	110,519	165,230	174,187	172,602	142,115
Utility Service	522,032	538,434	534,819	570,268	563,057	582,813	842,246	880,853	834,778	814,319
Total	\$ 5,127,379	\$ 5,272,864	\$ 5,442,106	\$ 5,799,559	\$ 6,214,004	\$ 6,437,283	\$ 9,879,100	\$ 10,381,151	\$ 10,732,859	\$ 11,508,041
City Direct Sales Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	3.00%	3.00%

Source: City of Canon City, Colorado, audited financial statements, 2011-2020 and Sales Tax Subsidiary Records, 2011-2020.

(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.

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
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
2019	2,726,245	352,174
2020	2,365,717	312,947

Source: City of Cañon City, Colorado, audited financial statements, 2011-2020 and Royal Gorge Company of Colorado Year-End Review, 2011-2020.

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.

CITY OF CAÑON CITY, COLORADO

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

TABLE 11

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water Revenues:										
Charges for Services:										
Metered Water Sales by Type of Customer (a)	\$ 5,656,298	\$ 5,843,529	\$ 5,377,864	\$ 5,448,201	\$ 5,507,312	\$ 5,726,457	\$ 5,545,757	\$ 5,985,920	\$ 5,970,745	\$ 6,663,051
Water Sales to City Facilities	223,160	126,160	123,842	122,206	116,934	116,776	115,259	191,819	190,731	218,703
Hydrant Sales	3,552	5,185	10,070	6,257	5,627	3,901	30,956	13,565	27,303	29,209
Bulk Water Sales	64,317	64,370	55,319	53,432	50,830	75,423	85,201	143,904	149,642	193,197
Account Maintenance Fee (b)	295	245	415	672	813	1,182	1,425	1,739	2,324	1,923
Total Charges for Services	5,947,622	6,039,490	5,567,510	5,630,768	5,681,516	5,923,739	5,778,598	6,336,947	6,340,745	7,106,083
Tap Fees (d)	82,077	104,328	67,543	123,501	43,500	184,550	220,500	296,199	359,131	281,952
Interest Income	15,574	16,885	9,455	7,873	11,137	35,169	82,269	142,883	165,349	54,355
Other (c)	80,341	75,084	248,890	733,978	143,473	83,576	85,646	115,716	88,447	71,425
Transfer In	27,000	25,500	22,200	22,200	22,200	22,200	39,400	180,900	140,920	80,900
Developer Contributions	-	-	-	-	-	2,750	27,500	-	-	-
Total Water Revenues	\$ 6,152,614	\$ 6,261,287	\$ 5,915,598	\$ 6,518,320	\$ 5,901,826	\$ 6,251,984	\$ 6,233,913	\$ 7,072,645	\$ 7,094,592	\$ 7,594,715

Source: City of Cañon City, Colorado, audited financial statements, 2011-2020 and Water Utility Billing Records, 2011-2020

(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 implementation of this temporary program provides waivers of tap fees for certain qualifying new residential, commercial or industrial buildings being constructed within the City.

CITY OF CAÑON CITY, COLORADO

**WATER SALES BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

TABLE 12

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Metered Water Sales by Type of Customer										
Residential - Inside City limits	\$ 1,736,842	\$ 1,822,889	\$ 1,615,105	\$ 1,615,756	\$ 1,581,803	\$ 1,690,402	\$ 1,610,179	\$ 1,610,179	\$ 1,952,362	\$ 2,241,621
Residential - Outside City limits	894,011	955,236	874,966	878,336	876,303	920,479	891,552	891,552	1,060,405	1,235,078
Commercial - Inside City limits	1,311,355	1,216,886	1,099,018	1,117,912	1,136,226	1,192,248	1,137,729	1,137,729	1,139,890	1,201,374
Commercial - Outside City limits	599,348	623,064	611,537	576,214	518,047	498,370	459,720	459,720	482,598	537,722
Prisons	1,114,742	1,225,454	1,177,238	1,259,983	1,394,933	1,424,958	1,446,577	1,446,577	1,335,490	1,414,436
Total Metered Water Sales by Type of Customer	\$ 5,656,298	\$ 5,843,529	\$ 5,377,864	\$ 5,448,201	\$ 5,507,312	\$ 5,726,457	\$ 5,545,757	\$ 5,545,757	\$ 5,970,745	\$ 6,630,231
Residential Inside minimum rate per 4,000 gallons (a)										
Residential Outside minimum rate per 4,000 gallons (a)										
Residential Inside Meter Fee - flat rate (b-e)	\$9.30	\$9.58	\$9.58	\$9.58	\$9.87	\$9.87	\$9.87	\$11.39	\$11.73	\$12.79
Residential Outside Meter Fee - flat rate (b-e)	\$13.95	\$14.37	\$14.37	\$14.37	\$14.80	\$14.80	\$14.80	\$17.09	\$17.60	\$19.18
Water Gallons Sold by Type of Customer (f)										
Residential - Inside City limits	548,700	539,054	457,826	461,100	426,626	468,102	439,128	505,171	451,443	484,892
Residential - Outside City limits	177,399	177,941	156,899	158,440	149,775	160,631	153,547	179,652	160,254	176,565
Commercial - Inside City limits	411,424	337,494	295,459	305,016	296,163	315,503	296,506	415,287	302,441	301,649
Commercial - Outside City limits	239,575	245,054	253,496	234,835	181,513	166,683	151,556	150,220	132,990	140,931
Prisons	374,951	385,087	365,953	391,385	418,182	429,806	435,878	414,872	389,162	382,440
Total Water Gallons Sold by Type of Customer	1,752,049	1,684,630	1,529,633	1,550,776	1,472,259	1,540,725	1,476,615	1,665,202	1,436,290	1,486,477

Source: City of Canon City, Colorado, audited financial statements, 2011-2020 and Water Utility Billing

Records, 2011-2020.

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.

(e) Effective January 1, 2019 usage rates were increased by 3% to keep up with the inflationary rise in cost of services.

(f) In thousands of gallons

CITY OF CAÑON CITY, COLORADO

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

TABLE 13

Fiscal Year	Governmental Activities			Business-Type Activities						Total Primary Government	Percentage of Personal Income (b)	Per Capita
	Public Improvement Bonds	Capital Leases(a)	Certificates of Participation Series 2003(a)	Certificates of Participation Series 2008(a)	Certificates of Premium Participation	Certificates of Participation Series 2017(a)	Certificates of Participation Series 2019(b)	Capital Lease				
2011	147,000	-	2,215,000	11,550,000	150,914	-	-	-	14,062,914	3.20%	856	
2012	105,000	-	2,070,000	11,195,000	143,728	-	-	-	13,513,728	2.97%	823	
2013	64,000	2,135,000	-	10,825,000	136,542	-	-	-	13,160,542	2.82%	811	
2014	34,000	1,940,000	-	10,445,000	129,356	-	-	-	12,548,356	2.56%	776	
2015	23,000	1,740,000	-	10,050,000	122,170	-	-	-	11,935,170	2.28%	735	
2016	9,000	1,540,000	-	9,635,000	114,984	-	-	-	11,298,984	2.10%	688	
2017	6,000	1,330,000	-	-	-	10,615,000	-	-	11,951,000	2.16%	721	
2018	4,000	1,120,000	-	-	-	10,040,000	-	-	11,164,000	1.89%	669	
2019	2,000	905,000	-	-	-	9,445,000	7,979,010	-	18,331,010	3.09%	1,096	
2020	-	690,000	-	-	-	8,830,000	7,683,273	-	17,203,273	2.79%	1,031	

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 Canon 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) In 2019, the City issued Certificates of Participation, Series 2019, in the amount of \$8,000,000 to make improvements to the City's storm water systems.

CITY OF CAÑON CITY, COLORADO

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

TABLE 14

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Bonded Debt Outstanding										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage of Estimated Actual Property Value (a)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Per Capita (b)	-	-	-	-	-	-	-	-	-	-
Total Taxable Assessed Value	136,453,561	135,621,831	133,599,993	132,147,876	134,888,127	135,316,053	137,250,509	139,804,438	152,486,770	154,006,068
Legal Debt Limit (c)	13,645,356	13,562,183	13,359,999	13,214,788	13,488,813	13,531,605	13,725,051	13,980,444	15,248,677	15,400,607
Total Net Debt Applicable To Debt Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin (d)	\$ 13,645,356	\$ 13,562,183	\$ 13,359,999	\$ 13,214,788	\$ 13,488,813	\$ 13,531,605	\$ 13,725,051	\$ 13,980,444	\$ 15,248,677	\$ 15,400,607
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	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.

CITY OF CAÑON CITY, COLORADO

**RATIOS OF WATER FUND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 15

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Water Fund Debt Outstanding										
Certificates of Participation Series 2008	\$ 11,550,000	\$ 11,195,000	\$ 10,825,000	\$ 10,445,000	\$ 10,050,000	\$ 9,635,000	\$ -	\$ -	\$ -	\$ -
Certificates of Participation Series 2017	-	-	-	-	-	-	10,615,000	10,040,000	9,445,000	8,830,000
Capital Leases	-	-	-	-	-	-	-	-	-	-
Total Water Fund Debt Outstanding	\$ 11,550,000	\$ 11,195,000	\$ 10,825,000	\$ 10,445,000	\$ 10,050,000	\$ 9,635,000	\$ 10,615,000	\$ 10,040,000	\$ 9,445,000	\$ 8,830,000
Number of Active Water Service Connections	8,547	8,553	8,567	8,568	8,580	8,614	8,655	8,796	8,836	8,889
Water Fund Debt per Active Water Service Connection	\$ 1,351	\$ 1,309	\$ 1,264	\$ 1,219	\$ 1,171	\$ 1,119	\$ 1,226	\$ 1,141	\$ 1,069	\$ 993

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

CITY OF CAÑON CITY, COLORADO

DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2020
(Unaudited)

TABLE 16

Government Entity	Debt Outstanding	Estimated Percentage Applicable (b)	Estimated Share of Overlapping (a) Debt
Fremont County School District RE-1	\$ 23,511,843	15.3%	\$ 3,589,513
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			 3,589,513
 City of Cañon City Direct Debt			 690,000
 Total Direct and Overlapping Debt			 <u><u>\$ 4,279,513</u></u>

(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

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

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
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	16,690	1,701,631	591,410	35,435	3.3
2019	16,725	1,701,631	592,650	35,435	4.6
2020	(c)	16,693	1,768,409	36,966	7.1

Source: U.S. Census Bureau, Department of Local Affairs-Demography Section, U.S. Department of Labor-Bureau of Labor Sta 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) Personal Income and Per Capita Personal Income data for 2019 became avialable Nove 17, 2020. 2019 data is repeated for 2020.

CITY OF CAÑON CITY, COLORADO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

TABLE 18

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment (b)	Employees	Rank	Percentage of Total County Employment
Fremont School District (RE-1)	536	1	3.05%	519	2	2.74%
Centura Health	496	2	2.82%	550	1	2.91%
Fremont County	340	3	1.93%	300	4	1.59%
International Order of Odd Fellows Complexes	331	4	1.88%	275	5	1.45%
Walmart	300	5	1.70%	425	3	2.25%
Starpointe	250	6	1.42%	162	8	0.86%
City of Canon City	163	7	0.93%	171	7	0.90%
Cornell Companies	154	8	0.88%	176	6	0.93%
Skyline Ridge Nursing and Rehabilitation	110	9	0.63%	-	-	0.00%
Interroll Engineering West Inc (a)	100	10	0.57%	139	9	0.73%
Canon City Daily Record	-	-	-	125	10	0.66%
Total	<u><u>2,780</u></u>		<u><u>15.80%</u></u>	<u><u>2,842</u></u>		<u><u>15.02%</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) Portec was purchased by Interroll in July 2013.

(b) Total 2019 employment within Fremont County was 17,596.

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

TABLE 19

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Clerk	2	2	2	2	2	2	1	1	1	1
Municipal Court	2	2	2	2	2	2	2	2	2	2
City Administrator	1	1	1	1	1	1	2	2	2	1
Finance	6	6	6	6	6	6	6	8	8	6
City Attorney	1	1	1	1	1	1	-	-	-	-
Building Maintenance	4	4	4	1	1	1	2	2	2	3
Community Development										
Building Division	2	2	2	2	2	2	2	2	2	2
Planning & Zoning	2	2	1	1	1	1	2	2	1	1
Code Enforcement	1	1	1	1	1	1	2	2	-	-
Economic Development	-	-	-	-	-	-	1	1	1	3
Administrative Resources										
Public Information Officer	-	-	-	-	-	-	-	-	1	1
Special Projects	-	-	1	-	-	-	-	-	-	-
Human Resources	1	1	1	1	1	1	1	2	1	1
Computer Resources	2	2	2	2	2	2	2	3	2	2
Public Safety										
Patrol Officers	28	28	28	28	29	30	31	30	30	28
Victims Assistance	1	1	1	1	1	1	1	1	1	-
Administration	3	4	5	5	5	5	5	5	6	7
Investigations	6	5	5	5	5	5	5	6	7	5
Parking & Code Enforcement	2	2	2	2	2	2	2	2	2	2
School Resource Program	1	1	1	2	2	2	2	2	2	2
Grant Funded Programs	-	-	-	-	-	-	-	-	-	1
Dispatch Services	8	8	8	8	8	-	-	-	-	-
Public Works										
Equipment Repair	3	3	3	3	3	3	3	3	3	3
Street Maintenance	15	15	15	15	15	15	14	14	14	13
Engineering	2	2	2	2	2	2	4	4	6	5
Cemetery	5	5	5	-	-	-	-	-	-	-
Cultural & Recreation										
Forestry	3	3	3	-	-	-	-	-	-	-
Library & Museum/History Center	15	15	14	14	14	14	14	14	14	12
Parks Improvement Fund	8	8	7	12	12	13	12	14	15	12
Water Fund										
Administration	7	7	6	6	6	6	6	6	2	1
Water Treatment	12	12	12	12	12	12	11	11	10	12
Water Distribution	16	16	16	17	17	17	16	16	11	14
Water Utility Billing	1	1	1	1	1	1	2	2	2	2
Storm Water Utility Fund										
Administration	2	2	2	2	2	2	1	1	1	1
Storm Water Maintenance	-	-	-	-	-	-	-	-	-	2
Total	162	162	160	155	156	150	152	158	149	145

Source: City of Cañon City Human Resources and Finance Departments

CITY OF CAÑON CITY, COLORADO

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

TABLE 20

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Physical arrests	2,130	1,839	1,750	1,676	1,739	820	740	819	734	769
Traffic violations (d)	2,707	1,981	2,096	2,304	1,341	2,524	2,810	683	1,262	363
Parking violations	911	351	86	52	15	5	124	141	272	57
Calls for service (c)	27,292	27,302	27,360	28,627	15,323	28,656	28,297	27,738	30,073	27,171
Public Works										
Street resurfacing & repairs (miles)	0.71	0.00	0.20	8.10	5.27	5.88	6.07	4.77	4.74	0.85
Street utility cut repairs	78	84	91	75	77	91	103	128	100	96
Cemetery										
Standard and ash burials	130	90	94	98	96	95	107	77	89	78
Spaces sold	48	28	39	57	62	38	42	54	62	51
Cultural & Recreation										
Library:										
Physical Volumes in collection	70,661	73,984	75,228	64,192	56,290	52,508	61,532	61,185	61,416	58,632
Electronic Volumes in collection (a)	526	2,992	8,436	14,688	18,257	32,078	28,167	31,757	36,147	40,979
Total volumes checked out (b)	290,831	273,374	131,148	159,283	168,995	206,163	183,616	285,554	403,435	90,863
Water Fund										
Installed and replaced water mains	8,337'	6,926'	10,400'	2,200'	2565'	-	4109'	2363'	5115'	3216'
Average daily metered consumption (millions of gallons)	4.8	4.6	4.2	4.2	4.0	4.0	4.0	4.2	4.2	4.2
Peak daily production (millions of gallons)	11.7	9.9	9.7	9.0	9.3	9.5	9.1	9.5	9.2	9.1

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.

CITY OF CAÑON CITY, COLORADO

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

TABLE 21

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol units	28	28	28	28	28	29	29	28	28	28
Public Works										
Streets (miles) (a)	119.4	119.4	119.4	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Alleys (miles)	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1
Storm sewers (miles)	13.4	13.4	13.4	13.8	13.8	13.8	13.8	13.8	13.8	14.0
Cemetery										
City owned Cemeteries	2	2	2	2	2	2	2	2	2	2
Cultural & Recreation										
Parks (b)	10	10	10	10	10	10	10	10	10	9
Parks Acreage	6,567	6,567	6,567	6,567	6,567	6,567	6,567	6,567	6,567	6,659
Water Fund										
Water mains (miles)	151	151	151	151	151	151	151	151	151	155
Fire Hydrants	1,049	1,051	1,051	1,061	1,061	1,061	1,061	1,061	1,061	1,178
Finished Water Storage Tanks (c)	6	6	6	6	6	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) In 2020 a plaza was removed from the number of parks the City maintains. The plaza still exists but is not considered a park.

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

Compliance Section

Single Audit



**Independent Auditors' Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Based on An Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Cañon City, Colorado (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated July 7, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hink & Company, PC

Greenwood Village, Colorado
July 7, 2021





**Independent Auditors' Report on Compliance for Each
Major Federal Program, Internal Control Over Compliance,
And the Schedule of Expenditures of Federal Awards
Required by The Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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



Honorable Mayor and Members of the City Council
City of Cañon City, Colorado
Page 3

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Cañon City, Colorado. We issued our report thereon dated July 7, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wade & Company, PC

Greenwood Village, Colorado
July 7, 2021



City of Canon City, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through
Department of the Treasury				
<i>Pass-Through Funding</i>				
Colorado Department of Local Affairs				
Coronavirus Relief Fund	21.019	CVRF-CM-154	\$ 1,062,534	\$ -
Department of the Treasury Total			<u>1,062,534</u>	<u>-</u>
Institute of Museum and Library Services				
<i>Pass-Through Funding</i>				
Colorado State Library				
Library Services and Technology (LSTA) Cares Act	45.310		4,505	-
Institute of Museum and Library Services Total			<u>4,505</u>	<u>-</u>
Department of the Interior				
<i>Pass-Through Funding</i>				
Bureau of Land Management				
Cultural and Paleontological Resources Management	15.224	L20AC00448-0000	14,398	-
Department of the Interior Total			<u>14,398</u>	<u>-</u>
Department of Transportation				
<i>Pass-Through Funding</i>				
Highway Planning and Construction Cluster				
Colorado Department of Transportation				
CMAQ 8th & Bridge Street	20.205	AQC M175-028 (23329)	217,611	-
SH 115 Pedestrian Improvements	20.205	STR 115A-019 (22445)	54,500	-
US50 Pedestrian Crossing Study/Design	20.205	TAP M175-018 (20574)	193,594	-
Highway Planning and Construction Cluster Total			<u>465,705</u>	<u>-</u>
Department of Transportation Total			<u>465,705</u>	<u>-</u>
Department of Health and Human Services				
<i>Pass-Through Funding</i>				
Colorado Department of Human Services				
Office of Behavioral Health				
CoResponder Program	93.243	21 IHJA 161978	166,952	-
Department of Health and Human Services Total			<u>166,952</u>	<u>-</u>
Department of Justice				
<i>Direct Program</i>				
Bulletproof Vest Partnership Program	16.607		2,538	-
Department of Justice Total			<u>2,538</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,716,632</u>	<u>\$ -</u>

City of Cañon City, Colorado
Notes to Schedule of Expenditures of Federal Awards
December 31, 2020

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

Note 2: Subrecipients

The City did not pass through any federal funds to sub-recipients during the year ended December 31, 2020.

City of Cañon City, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section I: Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal program:

CFDA Number	Name of Federal Cluster/Program
21.019	CARES Act

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

City of Cañon City, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

City of Cañon City, Colorado
Schedule of Prior Year Findings
For the Year Ended December 31, 2020

Findings Required to be Reported by the Uniform Guidance

No items requiring follow up.

State Compliance

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Canon City		
		YEAR ENDING : December 2020		
This Information From The Records Of (example - City of _ or County of _ City of Canon City)		Prepared By: Tammy Nordyke Phone: 719-276-5251		
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from local sources:		A. Local highway disbursements:		
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,121,936	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,151,830	
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		b. Snow and ice removal		
3. Other local imposts (from page 2)	4,273,413	c. Other	214,527	
4. Miscellaneous local receipts (from page 2)	113,785	d. Total (a. through c.)	214,527	
5. Transfers from toll facilities		4. General administration & miscellaneous	429,456	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	58,796	
a. Bonds - Original Issues		6. Total (1 through 5)	4,976,545	
b. Bonds - Refunding Issues		B. Debt service on local obligations:		
c. Notes	0	1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest	140	
7. Total (1 through 6)	4,387,198	b. Redemption	2,000	
B. Private Contributions		c. Total (a. + b.)	2,140	
C. Receipts from State government (from page 2)	615,595	2. Notes:		
D. Receipts from Federal Government (from page 2)	576,402	a. Interest	44,955	
E. Total receipts (A.7 + B + C + D)	5,579,196	b. Redemption	555,556	
		c. Total (a. + b.)	600,511	
		3. Total (1.c + 2.c)	602,651	
		C. Payments to State for highways		
		D. Payments to toll facilities		
		E. Total disbursements (A.6 + B.3 + C + D)	5,579,196	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,000	0	2,000	0
1. Bonds (Refunding Portion)				
B. Notes (Total)	3,888,889	0	555,556	3,333,333
V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
		5,579,196	5,579,196	(0)
Notes and Comments:				

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	2,526	a. Interest on investments	12,841
b. Other local imposts:		b. Traffic Fines & Penalties	58,796
1. Sales Taxes	3,975,470	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	163,220	d. Parking Meter Fees	0
3. Liens		e. Sale of Surplus Property	0
4. Licenses		f. Charges for Services	42,149
5. Specific Ownership &/or Other	132,197	g. Other Misc. Receipts	
6. Total (1. through 5.)	4,270,887	h. Other	
c. Total (a. + b.)	4,273,413	i. Total (a. through h.)	113,785
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	549,758	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	65,837	d. Federal Transit Admin	217,610
d. Other (Specify) -		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	358,792
f. Total (a. through e.)	65,837	g. Total (a. through f.)	576,402
4. Total (1. + 2. + 3.f)	615,595	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	461,847	149,350	611,197
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	283,347	283,347
(4). System Enhancement & Operation	0	2,227,393	2,227,393
(5). Total Construction (1) + (2) + (3) + (4)	0	2,510,740	2,510,740
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	461,847	2,660,090	3,121,936
		(Carry forward to page 1)	

Notes and Comments:



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