

**Town of Lochbuie, Colorado**  
**FINANCIAL STATEMENTS**  
**with Independent Auditor's Report**  
**December 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Trustees  
Town of Lochbuie, Colorado

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

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Lochbuie, Colorado, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund 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 on pages III through XII and the budgetary comparison information and pension-related schedules on pages 42 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information on pages III through XII and pages 42 through 45, 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 Town's basic financial statements. The supplementary information and the local highway finance report (together, the information) as listed in the table of contents are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. The 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 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 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.

*Fiscal Focus Partners, LLC*

Greenwood Village, Colorado  
July 21, 2021

## Town of Lochbuie, Colorado

### MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2020

This discussion and analysis of the Town of Lochbuie's (Town) financial statements for the year ended December 31, 2020 provides a narrative overview of the Town's financial activities. Please consider the information here in conjunction with the accompanying financial statements and notes to the financial statements.

#### **The Town**

The Town of Lochbuie is what is known as a Mayor-Board style statutory Town. This classification, in contrast to a home-rule town, limits the authority the Town exercises, primarily in the area of taxes and tax collection. The Town consists of an elected Mayor and six Town Board trustees. The Town also appoints a Town Treasurer and Town Clerk. The top three candidates for Board seats receive staggered 4 year terms, with the remaining 3 seats and the Mayor receiving a 2 year term. The Town Treasurer and Town Clerk are appointed to 2 year terms. The Town Board employs a Town Administrator to direct the daily activities and functions of the Town.

The Town is located in the northeast Denver metropolitan area and is located within Weld and Adams Counties. The Town is adjacent to the Cities and Towns of Brighton, Hudson and Fort Lupton. The Town encompasses 5 square miles, or 16,000 acres, with approximately 8,025 residents and 2,675 households. The Town provides the majority of its core services by its own means through a Town controlled Waste Water Treatment Plant, Reverse Osmosis Plant and employs its own Police Department.

The primary sources of revenue for Towns in Colorado are sales and use taxes, as is true for Lochbuie. Property taxes are the next largest source of governmental revenues. Other sources of governmental revenue include miscellaneous fees generated through the Town's gas, electric and cable providers and other taxes and fees. The Town also records program-type revenues from court fines and fees, land use and permitting fees, and capital grants and contributions.

#### **Financial Highlights**

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51,891,661 at December 31, 2020.
- Net position of governmental activities increased by \$3,049,714, and net position of business-type activities increased by \$2,296,166.
- Fund balance of the general fund decreased by \$1,320,377. This decrease was primarily a result of capital outlay related to street and infrastructure improvements.

#### Other Highlights:

- Building continued in 2 subdivisions within Town limits.
- In 2018 the Town issued \$4,500,000 in Limited Tax Obligation Bonds for the purpose of funding the costs of capital improvements for the Town. Capital outlay for identified projects continued during 2020.

The Town provides its employees with pension and other postemployment benefits (OPEB) through two multiple employer cost-sharing defined benefit pension plans administered by the Colorado Fire and Police Pension Association (FPPA) and Colorado Public Employees' Retirement Association (PERA). It is

important to note that the Town does not currently have to pay the amount shown as the Town's net pension and OPEB liabilities, nor will the Town benefit from any pension related assets. The Town's direct liability is limited to the annually required contributions established by the State Legislature. In addition, the Town does not have any control over the investment policies associated with PERA and FPPA investments. These responsibilities lie solely with the PERA and FPPA board and administration. Decisions regarding the plan benefit design and the funding policies lie solely with the State Legislature. Please refer to Notes 7, 8 and 9 within the Notes to Financial Statements section of this report.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Town's assets and deferred outflows of resources, and 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 Town is improving or deteriorating. The reader of the financial statements should also consider other non-financial factors, such as changes in the composition or quality of the Town's sales tax base and perhaps the condition of the Town's infrastructure, to assess the overall health of the Town.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

- Governmental activities – most of the Town's basic services are reported here including public safety, public works, municipal court and general administration. Sales and use taxes, property taxes, fees and charges from the court and franchise fees finance most of these activities. Governmental activities of the Town also include the financing, construction of, and maintenance of governmental infrastructure constructed or acquired by the Town during the current year.
- Business-type activities – the Town charges a fee to customers to cover all or most of the cost of certain services it provides.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental or proprietary funds.

#### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial

statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. In particular, *fund balance, whether assigned, committed or unassigned*, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the Town's major governmental funds, the General Fund and the Conservation Trust Fund.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for this fund in the *basic financial statements* to demonstrate compliance with this budget.

### ***Proprietary Funds***

The proprietary fund financial statements provide the same type of information as shown in the government-wide financial statements, only these statements provide a more detailed level of information. Enterprise funds, a type of proprietary fund, are used to report any activity for which a fee is charged to external users for goods and services. The Town utilizes two enterprise funds to account for water and sewer operations.

### **Notes to Financial Statements**

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

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, the report also presents certain supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board* and other supplemental information presented for legal compliance and additional analysis.

### **Government-wide Financial Analysis**

At the close of 2020, total net position was \$51,891,661. The largest portion of net position is the investment in capital assets of \$30,145,793 (58% of net position). The amount reflects the investment of all capital assets (e.g. infrastructure, land, buildings and equipment), net of accumulated depreciation, less any debt used to acquire those assets that are still outstanding. The capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate those liabilities.

The following tables summarize the Town's governmental and business-type net positions.

	<b>December 31, 2020</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
Current and other assets	\$ 7,166,692	\$ 17,782,063	\$ 24,948,755
Capital assets	10,529,891	25,564,094	36,093,985
<b>Total assets</b>	<b>17,644,657</b>	<b>43,346,157</b>	<b>61,042,740</b>
Deferred outflows of resources	380,851	144,681	525,532
Current and other liabilities	1,641,706	618,614	2,260,320
Non-current liabilities	4,412,033	1,798,325	6,210,358
<b>Total liabilities</b>	<b>6,053,739</b>	<b>2,416,939</b>	<b>8,470,678</b>
Deferred inflows of resources	957,952	247,981	1,205,933
Net position			
Net investment in capital assets	5,866,054	24,279,739	30,145,793
Restricted for emergencies	166,000	-	166,000
Restricted for conservation trust	208,962	-	208,962
Restricted for capital improvements	-	-	-
Restricted for bond debt service	-	164,800	164,800
Unrestricted	4,824,727	16,381,379	21,206,106
<b>Total net position</b>	<b>\$ 11,065,743</b>	<b>\$ 40,825,918</b>	<b>\$ 51,891,661</b>



	<b>December 31, 2019</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
Current and other assets	\$ 7,916,057	\$ 15,936,538	\$ 23,852,595
Capital assets	6,587,725	25,619,105	32,206,830
<b>Total assets</b>	<b>14,503,782</b>	<b>41,555,643</b>	<b>56,059,425</b>
Deferred outflows of resources	490,961	294,115	785,076
Current and other liabilities	1,226,570	965,971	2,192,541
Non-current liabilities	5,011,833	2,353,909	7,365,742
<b>Total liabilities</b>	<b>6,238,403</b>	<b>3,319,880</b>	<b>9,558,283</b>
Deferred inflows of resources	740,311	126	740,437
Net position			
Net investment in capital assets	3,726,029	24,207,599	27,933,628
Restricted for emergencies	140,000	-	140,000
Restricted for conservation trust	145,477	-	145,477
Restricted for capital improvements	2,140,736	-	2,140,736
Restricted for bond debt service	-	164,800	164,800
Unrestricted	1,863,787	14,157,353	16,021,140
<b>Total net position</b>	<b>\$ 8,016,029</b>	<b>\$ 38,529,752</b>	<b>\$ 46,545,781</b>

## Changes in Net Position

The Town's net position increased by \$5,345,880 in 2020 for governmental and business-type activities.

	For the Year Ended December 31, 2020		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Revenues			
Program revenues			
Charges for services	\$ 631,016	\$ 5,282,017	\$ 5,913,033
Operating grants and contributions	285,425	29,772	315,197
Capital grants and contributions	1,813,200	-	463,200
General revenues			
Taxes/assessments	2,844,452	-	2,844,452
Interest earnings	17,743	23,880	41,623
Other	1,079,458	12,970	2,442,428
<b>Total revenues</b>	<u>6,671,294</u>	<u>5,348,639</u>	<u>12,019,933</u>
Expenses			
General government	1,012,951	-	1,012,951
Public safety	1,374,899	-	1,374,899
Public works	838,675	-	838,675
Trash service	395,055	-	395,055
Water	-	1,539,230	1,539,230
Sewer	-	1,513,243	1,513,243
<b>Total expenses</b>	<u>3,621,580</u>	<u>3,052,473</u>	<u>6,674,053</u>
<b>Change in net position</b>	3,049,714	2,296,166	5,345,880
<b>Beginning net position</b>	<u>8,016,029</u>	<u>38,529,752</u>	<u>46,545,781</u>
<b>Ending net position</b>	<u>\$ 11,065,743</u>	<u>\$ 40,825,918</u>	<u>\$ 51,891,661</u>

	<b>For the Year Ended December 31, 2019</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 1,214,570	\$ 4,271,064	\$ 5,485,634
Operating grants and contributions	71,532	4,976,800	5,048,332
Capital grants and contributions	-	399,800	399,800
General revenues			
Taxes/assessments	3,001,184	-	3,001,184
Interest earnings	29,786	36,630	66,416
Other	991,609	9,508	1,001,117
<b>Total revenues</b>	<b>5,308,681</b>	<b>9,693,802</b>	<b>15,002,483</b>
<b>Expenses</b>			
General government	1,011,267	-	1,011,267
Public safety	1,332,980	-	1,332,980
Public works	900,871	-	900,871
Trash service	354,914	-	354,914
Water	-	1,386,029	1,386,029
Sewer	-	1,617,189	1,617,189
<b>Total expenses</b>	<b>3,600,032</b>	<b>3,003,218</b>	<b>6,603,250</b>
Change in net position	1,708,649	6,690,584	8,399,233
Beginning net position (restated)	6,160,548	31,839,168	37,999,716
Restatement (prior year adjustments)	146,832	-	146,832
<b>Ending net position</b>	<b>\$ 8,016,029</b>	<b>\$ 38,529,752</b>	<b>\$ 46,545,781</b>

### ***Governmental Activities***

Governmental activities increased Lochbuie's net position by \$3,049,714. The increase in revenue from 2019 to 2020 of \$1,889,724 (40%) was a result of increases in developer reimbursement for infrastructure projects as well as property and sales and use tax revenue increases. Expenses (government-wide) decreased by \$859,661, or 19%, from 2019 to 2020, primarily due to decreases in expenses related to permits and inspections during 2020.

### ***Business-type Activities***

Business-type activities for the year resulted in an increase of net position by \$2,296,166. Charges for services and other operating-related revenue decreased from 2019 to 2020 by \$1,238,8041, or 19%. During 2019 the Town received \$3,220,000 from an escrow account established in connection with the Beebe Draw Wastewater Service Agreement (see Note 12) which resulted in higher than usual prior year revenue.

### **Governmental Funds**

As of the end of 2020, the Town's governmental funds reported a combined ending fund balance of \$5,175,975.

The Town has two major governmental funds. They are the General and Conservation Trust Funds.

The General Fund is the primary operating fund for the Town of Lochbuie and reports a fund balance of \$4,967,013 as of December 31, 2020. General Fund departments consist of Legislative, Administration, Police, Judicial and Public Works.

The Conservation Trust Fund had a total fund balance at the end of 2020 of \$208,962. This fund accounts for State of Colorado lottery funds and is to be used for parks and recreation services and capital investment.

### **Proprietary Fund**

The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements in more detail.

### ***Capital Asset and Debt Administration***

#### **Capital Assets**

The Town of Lochbuie's net investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounted to \$30,145,793. The investment in capital assets includes land, buildings, building improvements, and equipment and infrastructure, net of accumulated depreciation and related debt.

#### **Long Term Debt**

At the end of 2020, total bonded debt outstanding was \$5,700,000. This debt represents \$4,435,000 related to general governmental obligation bonds and \$1,265,000 related to bonds secured solely by specific revenue sources (i.e., revenue bonds).

## ***Economic Factors and Next Year's Budget and Rates***

The 2021 Budget includes continuation of several important projects and studies which began in 2020. Studies include a Water and Wastewater Cost of Service Study and an update to the Wastewater Master Plan. Both studies will be completed in 2021.

Projects include the design of the Greenway Trail which will connect the original town area with new development creating a safe route for pedestrians and bicyclists. The 8' wide multimodal trail will extend from the new Town of Lochbuie CR 37 streetscape and sidewalk west through a utility corridor to the Speer Canal, and then follow the canal south to Stagecoach Ave. The construction phase is estimated to begin in late fall and finish as soon as reasonably possible. The \$900,000 project is funded by a 50% match from the State.

The I-76/Baseline Road Interchange Signalization project will address capacity issues at the interchange itself by signalizing the I-76 Westbound Ramps/Baseline Road intersection, restriping the I-76 overpass to provide a center left turn lane, and signalizing the I-76 Eastbound Ramps/Baseline Road intersection. Design of this project will begin in 2021 with construction occurring in 2022. The \$1,750,000 project will be funded by ADCOG, Town of Lochbuie, CDOT, and the SW Weld County Subregion Forum.

Finally, as with most communities along the Front Range, growth will continue in the Town with several residential development projects commencing in 2021. Build out will continue at other residential sites as well. Commercial development will include the addition of QuikTrip - a prominent convenience / gasoline retailer.

## ***Administrative Services***

Town Administrator – The Town Administrator serves at the pleasure of the Board of Trustees. The Administrator is charged with ensuring that policies of the Board of Trustees are implemented and functions as the Chief of Staff for the Town Departments as well as serving as the Director of Public Safety, Building Official and Town Attorney liaison.

Town Clerk – During 2020 the Town Clerk was the custodian of all the Town records, made a record of Town Board meetings, and fulfilled all the statutory duties of a Town Clerk and worked as the Office Manager. The clerk serves as an advisor to the Town Administrator and to the Board of Trustees. The Clerk oversaw the Human Resources Department. This department maintains personnel records. The Clerk supervised the Court System and the Utility Billing System.

Town Treasurer - The Town Treasurer is responsible for maintaining the financial records of the Town, prepares or causes to be prepared the financial statements and annual budgets of the Town, maintains Town bank accounts and investment accounts, ensures that receivables and payables are transacted properly and advises the Town Administrator and the Board of Trustees as to the financial condition of the Town. The Treasurer oversees the work of the Accounts Payable, Purchasing and Payroll Departments and assists with the annual audit.

Municipal Court – Lochbuie Municipal Court is a court of record. During 2020, Court was conducted on the 2<sup>nd</sup> Friday of each month beginning at 8:30 am (during 2021 scheduling changed to the 4<sup>th</sup> Tuesday of each month). Additional sessions of court are conducted as necessary based on case load or extraordinary circumstances. The court is presided over by a judge appointed to a two-year term as a part-time judge. The judge is relieved by an alternate judge in his absence. The judge is assisted by a Court Clerk, whose job is part-time. When Court is in session a bailiff is provided by the police department. One or more of the Administrative staff members assist in court sessions in various duties to assist the Clerk, the prosecutor and the judge. The Town employs a law firm to serve as prosecutors. Translation services are routinely provided by a part-time translator and by bi-lingual, Spanish-speaking staff members.

Building Department – The Town performs Building Department functions under a contract with a firm that specializes in such services. The Building Services contractor manages the building construction activities in the Town including building permits, building inspections and utility installation.

By ordinance of the Board of Trustees, the Town does not have a separate planning commission. Instead, the functions classically performed by a planning commission -- review of all proposed development, proposed zoning changes, master plan development and review, parks and recreation planning, traffic planning, and general municipal engineering matters --are performed by the Board of Trustees.

Public Works – The Public Works Operations Manager supervises the Public Works Department. The department manages all water, waste water, storm water, streets and parks functions. The operation of the water and waste water facilities and all required services for the operation thereof are managed by an Operator in Responsible Charge (ORC).

Police – The Police Department is staffed by a full-time Chief, ten patrol officers and a full-time clerk. The Town employs a community service officer to perform code enforcement and animal control functions for the Town.

Fire Protection – Fire protection is provided by the Hudson Fire Protection District in part of the Town and the Greater Brighton Fire Protection District in part. Hudson is an all-volunteer department while Brighton is a combination paid-volunteer department.

Emergency Medical Services – Ambulance service is provided by Platte Valley Ambulance, based at Brighton's Platte Valley Medical Center and secondary EMS transport is provided by Weld County Paramedics. The ambulance is supported by the appropriate fire department.

Trash Service – Solid waste management is provided by the Town through a contract trash hauling company. Fees for this service are collected with the utility bills.

### **Request for Information**

This financial report is designed to provide a general overview of the Town of Lochbuie's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Steve Stamey  
Town Administrator  
Town of Lochbuie  
703 WCR 37  
Lochbuie, CO 80603

### **Roster of Town Officials**

#### Appointed Officials

Steve Stamey – Town Administrator  
Linda Blackston – Town Clerk  
Denise Rademacher – Town Treasurer

#### Elected Officials

Michael Mahoney – Mayor  
David Ott – Mayor Pro Tem  
May Wescott – Trustee  
Solara Antonopulos – Trustee  
Jacklyn White – Trustee  
James Kuemmerle – Trustee  
Jamie Jeffery - Trustee

## **BASIC FINANCIAL STATEMENTS**

**Town of Lochbuie, Colorado**  
**STATEMENT OF NET POSITION**  
**December 31, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 5,364,008	\$ 17,307,415	\$ 22,671,423
Cash and investments - restricted	375,055	164,800	539,855
Accounts receivable	557,932	309,848	867,780
Property taxes receivable	817,771	-	817,771
<b>Total current assets</b>	<u>7,114,766</u>	<u>17,782,063</u>	<u>24,896,829</u>
<b>Capital Assets</b>			
Nondepreciable	116,698	3,423,946	3,540,644
Depreciable, net	10,413,193	22,140,148	32,553,341
<b>Total capital assets</b>	<u>10,529,891</u>	<u>25,564,094</u>	<u>36,093,985</u>
<b>Non-current Assets</b>			
Pension asset	51,926	-	51,926
<b>Total non-current assets</b>	<u>51,926</u>	<u>-</u>	<u>51,926</u>
<b>Total assets</b>	<u>17,696,583</u>	<u>43,346,157</u>	<u>61,042,740</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflow	375,929	128,203	504,132
OPEB related deferred outflow	4,922	16,478	21,400
<b>Total deferred outflows of resources</b>	<u>380,851</u>	<u>144,681</u>	<u>525,532</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and other liabilities	1,159,985	459,821	1,619,806
Accrued interest payable	12,683	2,482	15,165
Compensated absences	25,731	29,160	54,891
Current portion - bonds	443,307	127,151	570,458
<b>Total current liabilities</b>	<u>1,641,706</u>	<u>618,614</u>	<u>2,260,320</u>
<b>Long-Term Liabilities</b>			
Net pension liability	171,337	573,608	744,945
Net OPEB liability	20,166	67,513	87,679
Bonds payable	4,220,530	1,157,204	5,377,734
<b>Total long-term liabilities</b>	<u>4,412,033</u>	<u>1,798,325</u>	<u>6,210,358</u>
<b>Total liabilities</b>	<u>6,053,739</u>	<u>2,416,939</u>	<u>8,470,678</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	778,806	-	778,806
Pension related deferred inflow	175,170	234,670	409,840
OPEB related deferred inflow	3,976	13,311	17,287
<b>Total deferred inflows of resources</b>	<u>957,952</u>	<u>247,981</u>	<u>1,205,933</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,866,054	24,279,739	30,145,793
Restricted			
Emergency reserves	166,000	-	166,000
Conservation trust	208,962	-	208,962
Bond debt service	-	164,800	164,800
Unrestricted	4,824,727	16,381,379	21,206,107
<b>Total net position</b>	<u>\$ 11,065,743</u>	<u>\$ 40,825,918</u>	<u>\$ 51,891,661</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.



**Town of Lochbuie, Colorado**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2020

<b>Functions/Programs</b>					<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Program Revenue</b>		<b>Capital Grants and Contributions</b>	<b>Primary Government</b>		<b>Total</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>		<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>Primary government</b>							
Governmental activities							
General government - Legislative	\$ 23,552	\$ -	\$ -	\$ -	\$ (23,552)	\$ -	\$ (23,552)
General government - Judicial	18,723	-	-	-	(18,723)	-	(18,723)
General government - Administrative	970,676	149,968	214,860	-	(605,848)	-	(605,848)
Public safety - Police	1,374,899	55,376	-	-	(1,319,523)	-	(1,319,523)
Public works - Streets	661,175	-	-	1,813,200	1,152,025	-	1,152,025
Public works - Parks	27,987	-	70,565	-	42,578	-	42,578
Trash service	395,055	425,672	-	-	30,617	-	30,617
Interest on long-term debt and related costs	149,513	-	-	-	(149,513)	-	(149,513)
<b>Total governmental activities</b>	<b>3,621,580</b>	<b>631,016</b>	<b>285,425</b>	<b>1,813,200</b>	<b>(891,939)</b>	<b>-</b>	<b>(891,939)</b>
Business-type activities							
Water operations	1,539,230	3,469,745	22,809	-	-	1,953,324	1,953,324
Sewer operations	1,513,243	1,812,272	6,963	-	-	305,992	305,992
<b>Total business-type activities</b>	<b>\$ 3,052,473</b>	<b>\$ 5,282,017</b>	<b>\$ 29,772</b>	<b>\$ -</b>	<b>-</b>	<b>2,259,316</b>	<b>2,259,316</b>
<b>General revenues:</b>							
Taxes:							
Property taxes					715,164	-	715,164
Specific ownership taxes					34,275	-	34,275
Sales and use tax					1,636,145	-	1,636,145
Franchise taxes					198,903	-	198,903
Highway user taxes					190,217	-	190,217
Other taxes					69,748	-	69,748
Interest income					17,743	23,880	41,623
Other					1,079,458	12,970	1,092,428
<b>Total general revenues</b>					<b>3,941,653</b>	<b>36,850</b>	<b>3,978,503</b>
<b>Change in net position</b>					<b>3,049,714</b>	<b>2,296,166</b>	<b>5,345,880</b>
<b>Net position - beginning</b>					<b>8,016,029</b>	<b>38,529,752</b>	<b>46,545,781</b>
<b>Net position- ending</b>					<b>\$ 11,065,743</b>	<b>\$ 40,825,918</b>	<b>\$ 51,891,661</b>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**Town of Lochbuie, Colorado**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2020**

	<b>General Fund</b>	<b>Conservation Trust</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,364,008	\$ -	\$ 5,364,008
Cash and cash equivalents- restricted	166,000	209,055	375,055
Accounts receivable	557,932	-	557,932
Property taxes receivable	817,771	-	817,771
<b>Total assets</b>	<b>6,905,711</b>	<b>209,055</b>	<b>7,114,766</b>
<b>LIABILITIES</b>			
Accounts payable and payroll liabilities	1,159,892	93	1,159,985
<b>Total liabilities</b>	<b>1,159,892</b>	<b>93</b>	<b>1,159,985</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	778,806	-	778,806
<b>Total deferred inflows of resources</b>	<b>778,806</b>	<b>-</b>	<b>778,806</b>
<b>FUND BALANCES</b>			
Restricted for:			
Emergencies	166,000	-	166,000
Conservation trust	-	208,962	208,962
Committed for:			
School building	391,922	-	391,922
Assigned for:			
Insurance deductible	32,497	-	32,497
Unassigned	4,376,594	-	4,376,594
<b>Total fund balances</b>	<b>4,967,013</b>	<b>208,962</b>	<b>5,175,975</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,905,711</b>	<b>\$ 209,055</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. However, in the statement of net position, the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets, net of accumulated depreciation 10,529,891

Deferred outflows and inflows of resources that represent acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds.

Deferred outflows- pension plan	375,929
Deferred inflows- pension plan	(175,170)
Deferred outflows- OPEB	4,922
Deferred inflows- OPEB	(3,976)

Long-term liabilities, including retirement of debt, are not due and payable in the current period and, therefore, are not reported in the funds

Accrued interest payable	(12,683)
Compensated absences	(25,731)
Net pension asset- FPPA	51,926
Net pension liability- PERA	(171,337)
Net OPEB liability	(20,166)
Bonds payable, net	(4,663,837)
<b>Net position of governmental activities</b>	<b>\$ 11,065,743</b>

Town of Lochbuie, Colorado

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2020

	<b>General Fund</b>	<b>Conservation Trust</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Property taxes	\$ 715,164	\$ -	\$ 715,164
Specific ownership taxes	34,275	-	34,275
Sales and use taxes	1,636,145	-	1,636,145
Franchise taxes	198,903	-	198,903
Highway user taxes	190,217	-	190,217
Other taxes	69,748	-	69,748
Intergovernmental	-	70,565	70,565
Licenses, permits and fees	149,968	-	149,968
Fines and forfeitures	55,376	-	55,376
Grants	678,060	-	678,060
Developer reimbursements	1,350,000	-	1,350,000
Interest earned	16,414	1,329	17,743
Trash service	425,672	-	425,672
Other revenue	1,079,458	-	1,079,458
<b>Total revenues</b>	<b>6,599,400</b>	<b>71,894</b>	<b>6,671,294</b>
<b>EXPENDITURES</b>			
General and Operating:			
General government - Legislative	23,552	-	23,552
General government - Judicial	18,723	-	18,723
General government - Administration	885,318	-	885,318
Public safety - Police	1,361,044	-	1,361,044
Public works - Streets	499,415	-	499,415
Public works - Parks	-	8,409	8,409
Trash services	395,055	-	395,055
Debt Service:			
Principal	432,472	-	432,472
Interest and other charges	163,913	-	163,913
Capital Outlay	4,247,094	-	4,247,094
<b>Total expenditures</b>	<b>8,026,586</b>	<b>8,409</b>	<b>8,034,995</b>
<b>Excess of revenues over expenditures</b>	<b>(1,427,186)</b>	<b>63,485</b>	<b>(1,363,701)</b>
<b>Other financing (uses) sources</b>			
Proceeds from capital lease	106,809	-	106,809
<b>Total other financing (uses) sources</b>	<b>106,809</b>	<b>-</b>	<b>106,809</b>
<b>Net change in fund balances</b>	<b>(1,320,377)</b>	<b>63,485</b>	<b>(1,256,892)</b>
<b>Fund balances - beginning</b>	<b>6,287,390</b>	<b>145,477</b>	<b>6,432,867</b>
<b>Fund balances - ending</b>	<b>\$ 4,967,013</b>	<b>\$ 208,962</b>	<b>\$ 5,175,975</b>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds: \$ (1,256,892)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(304,928)
Capital outlay	4,247,094

The repayment of long-term debt (e.g. bonds, leases) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

432,472

Proceeds from long-term debt (e.g. bonds, leases) is a revenue source in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.

(106,809)

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

Accrued interest payable - change	1,468
Net pension liability and related amounts - change	24,418
Net OPEB liability and related amounts - change	(41)
Bond premium amortization	12,932
Change in net position of governmental activities	3,049,714

\$ 3,049,714

Town of Lochbuie, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
- GENERAL FUND

For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes			
Property taxes	\$ 719,428	\$ 715,164	\$ (4,264)
General sales and use taxes	1,140,100	1,636,145	496,045
Franchise taxes	172,000	198,903	26,903
Specific ownership tax	40,000	34,275	(5,725)
Intergovernmental			
Highway user tax	194,144	190,217	(3,927)
Motor vehicle tax	20,000	26,901	6,901
Others	700	42,847	42,147
Licenses and permits			
Building permits	235,000	68,391	(166,609)
General business licenses	12,750	17,942	5,192
Animal licenses	900	505	(395)
Public right of way permit	10,000	35,427	25,427
Fees			
School contribution fees	80,800	-	(80,800)
Plan review fees	15,000	12,893	(2,107)
Administrative fees and services	30,000	12,570	(17,430)
Infrastructure fees	40,800	682	(40,118)
Interstate exchange fees	32,640	473	(32,167)
Inspection fees	200	-	(200)
Energy impact fees	-	-	-
Other fees	7,900	1,085	(6,815)
Fines and forfeitures	87,575	55,376	(32,199)
Grants	463,200	678,060	214,860
Developer reimbursements	-	1,350,000	1,350,000
Interest earned	20,000	16,414	(3,586)
Trash service revenues	365,000	425,672	60,672
Other income	1,748,574	1,079,458	(669,116)
<b>Total revenues</b>	<u>5,436,711</u>	<u>6,599,400</u>	<u>1,162,689</u>
<b>Expenditures</b>			
General government - Legislative	89,916	23,552	66,364
General government - Judicial	26,312	18,723	7,589
General government - Administration	1,020,128	885,318	134,810
Public safety - Police	1,394,568	1,361,044	33,524
Public works - Streets	942,453	499,415	443,038
Trash services	330,000	395,055	(65,055)
Debt Service			
Principal	422,275	432,472	(10,197)
Interest and other charges	157,450	163,913	(6,463)
Capital Outlay	3,862,000	4,247,094	(385,094)
<b>Total expenditures</b>	<u>8,245,102</u>	<u>8,026,586</u>	<u>218,516</u>
<b>Excess of revenues over (under) expenditures</b>	(2,808,391)	(1,427,186)	1,381,205
<b>Other financing (uses) sources</b>			
Proceeds from capital lease	-	106,809	106,809
<b>Total other financing (uses) sources</b>	-	106,809	106,809
<b>Change in fund balance</b>	<u>(2,808,391)</u>	<u>(1,320,377)</u>	<u>1,488,014</u>
<b>Fund balance - beginning of year</b>	<u>7,263,517</u>	<u>6,287,390</u>	<u>(976,127)</u>
<b>Fund balance- end of year</b>	<u>\$ 4,455,126</u>	<u>\$ 4,967,013</u>	<u>\$ 511,887</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

**STATEMENTS OF NET POSITION  
ENTERPRISE FUNDS**

December 31, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 11,609,779	\$ 5,697,636	\$ 17,307,415
Cash and investments - restricted	164,800	-	164,800
Accounts receivable	155,484	154,364	309,848
<b>Total current assets</b>	<u>11,930,063</u>	<u>5,852,000</u>	<u>17,782,063</u>
<b>Capital Assets</b>			
Nondepreciable	3,167,547	256,399	3,423,946
Depreciable, net	7,432,098	14,708,050	22,140,148
<b>Total capital assets</b>	<u>10,599,645</u>	<u>14,964,449</u>	<u>25,564,094</u>
<b>Total assets</b>	<u>22,529,708</u>	<u>20,816,449</u>	<u>43,346,157</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflow	64,934	63,269	128,203
OPEB related deferred outflow	8,346	8,132	16,478
<b>Total deferred outflows of resources</b>	<u>73,280</u>	<u>71,401</u>	<u>144,681</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and other liabilities	368,061	91,760	459,821
Accrued interest payable	2,482	-	2,482
Compensated absences	14,580	14,580	29,160
Current portion - bonds	127,151	-	127,151
<b>Total current liabilities</b>	<u>512,274</u>	<u>106,340</u>	<u>618,614</u>
<b>Long-Term Liabilities</b>			
Net pension liability	290,529	283,079	573,608
Net OPEB liability	34,195	33,318	67,513
Bonds payable	1,157,204	-	1,157,204
<b>Total long-term liabilities</b>	<u>1,481,928</u>	<u>316,397</u>	<u>1,798,325</u>
<b>Total liabilities</b>	<u>1,994,202</u>	<u>422,737</u>	<u>2,416,939</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflow	118,859	115,811	234,670
OPEB related deferred inflow	6,742	6,569	13,311
<b>Total deferred inflows of resources</b>	<u>125,601</u>	<u>122,380</u>	<u>247,981</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,315,290	14,964,449	24,279,739
Restricted for bond debt service	164,800	-	164,800
Unrestricted	11,003,095	5,378,284	16,381,379
<b>Total net position</b>	<u>\$ 20,483,185</u>	<u>\$ 20,342,733</u>	<u>\$ 40,825,918</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS

For the Year Ended December 31, 2020

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,338,722	\$ 1,002,788	\$ 3,341,510
Other	1,131,023	809,484	1,940,507
<b>Total operating revenues</b>	<u>3,469,745</u>	<u>1,812,272</u>	<u>5,282,017</u>
<b>OPERATING EXPENSES</b>			
Operating expenses	646,391	775,982	1,422,373
Administrative expenses	599,482	380,904	980,386
Depreciation	256,720	356,357	613,077
<b>Total operating expenses</b>	<u>1,502,593</u>	<u>1,513,243</u>	<u>3,015,836</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,967,152</u>	<u>299,029</u>	<u>2,266,181</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest earnings	13,174	10,706	23,880
Other non-operating income	12,970	-	12,970
Interest expense	(36,637)	-	(36,637)
<b>Total nonoperating revenues (expenses)</b>	<u>(10,493)</u>	<u>10,706</u>	<u>213</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<u>1,956,659</u>	<u>309,735</u>	<u>2,266,394</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Tap Fees/PIFs	22,809	6,963	29,772
<b>CHANGE IN NET POSITION</b>	1,979,468	316,698	2,296,166
<b>NET POSITION - beginning of the year</b>	18,503,717	20,026,035	38,529,752
<b>NET POSITION - end of the year</b>	<u>\$ 20,483,185</u>	<u>\$ 20,342,733</u>	<u>\$ 40,825,918</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

**STATEMENTS OF CASH FLOWS  
ENTERPRISE FUNDS**

For the Year Ended December 31, 2020

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 3,475,992	\$ 1,859,260	\$ 5,335,252
Payments to suppliers for goods and services	(1,032,517)	(1,167,680)	(2,200,197)
Payments to and on behalf of employees	(296,830)	(284,232)	(581,062)
<b>Net cash provided (used) by operating activities</b>	<b>2,146,645</b>	<b>407,348</b>	<b>2,553,993</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Tap fees/PIFS	22,809	6,963	29,772
Acquisition of capital assets	(345,497)	(212,570)	(558,067)
Principal payments	(125,000)	-	(125,000)
Interest paid on debt	(38,788)	-	(38,788)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(486,476)</b>	<b>(205,607)</b>	<b>(692,083)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Other income	12,970	-	12,970
Interest earnings received	13,174	10,706	23,880
<b>Net cash provided (used) by investing activities</b>	<b>26,144</b>	<b>10,706</b>	<b>36,850</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,686,313	212,447	1,898,760
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	10,088,266	5,485,189	15,573,455
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>\$ 11,774,579</b>	<b>\$ 5,697,636</b>	<b>\$ 17,472,215</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 1,967,152	\$ 299,029	\$ 2,266,181
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	256,720	356,357	613,077
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	6,247	46,988	53,235
Increase (decrease) in:			
Accounts payable and other liabilities used for operations	(76,982)	(288,938)	(365,920)
Accrued payroll related liabilities	(6,492)	(6,088)	(12,580)
	<b>\$ 2,146,645</b>	<b>\$ 407,348</b>	<b>\$ 2,553,993</b>
<b>Cash and cash equivalents</b>	\$ 11,609,779	\$ 5,697,636	\$ 17,307,415
<b>Restricted cash and cash equivalents</b>	164,800	-	164,800
<b>Total cash and cash equivalents</b>	<b>\$ 11,774,579</b>	<b>\$ 5,697,636</b>	<b>\$ 17,472,215</b>

The accompanying Notes to the Financial Statements are an integral part of these statements.



**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**Note 1 Definition of reporting entity**

The Town was organized as a statutory Town in Colorado by court order in 1974. The Town provides general government, public works (roads and streets), police, water, and sewer for the geographical area organized as the Town.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

**Note 2 Summary of significant accounting policies**

The more significant accounting policies of the Town are described as follows:

**Government-wide and fund financial statements**

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

The statement of net position reports all financial and capital resources of the Town. The difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the Town is reported as net position.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, and redemptions of bonds are recorded as a reduction in liabilities.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes and franchise fees. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund - The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted or in another fund, which include the following departments: Legislative, Judicial, Administrative, Public Safety-Police, and Public Works.

Conservation Trust Fund – The Conservation Trust Fund accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund was established to account for the acquisition, operation and maintenance of the Town's water facilities and infrastructure.

Sewer Fund – The Sewer Fund was established to account for the acquisition, operation and maintenance of the Town's sewer facilities and infrastructure.

Proprietary funds are used to account for ongoing activities that are financed and operated in a manner similar to private business enterprises. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for water and sewer service. Operating expenses include the costs of the services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions. Tap fees and plant investment fees are generally recorded as capital contributions when received.

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

**Pooled Cash and investments**

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based on each fund's average equity balance in total cash.

**Cash Equivalents**

For the purpose of the statement of cash flows of the proprietary funds, cash and cash equivalents include operating and restricted cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

**Accounts receivable, allowance for doubtful accounts**

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years and for which the initial, individual value equals or exceeds the following dollar amounts:

<u>Asset Class</u>	<u>Dollar Value</u>
Land	No Minimum
Buildings	No Minimum
Building and Other Improvements	\$ 5,000
Furniture and Equipment	\$ 5,000
Infrastructure	\$ 5,000

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at acquisition value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	40 years
Building and Other Improvements	20 years
Water and Sewer Systems	25 - 35 years
Furniture and Equipment	3 – 30 years
Infrastructure	15 – 40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets since their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

**Compensated absences**

It is the Town's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. These benefits accrue together as Paid Time Off (PTO). PTO accrues to a maximum of 240 hours, depending on length of employment. Compensated absences are recorded as current salary cost when paid in government funds, and is accrued in the enterprise fund.

**Property taxes**

Property taxes are levied by the Town's Board of Trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June.

## Town of Lochbuie, Colorado

### NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2020

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows are recorded as revenue in the year they are available or collected.

#### **Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has certain items that relate to its pension and other post employment benefit plans that qualify for reporting in this category. Accordingly, these items are deferred and will be recognized as an outflow of resources in the period the resource is required for use.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has certain items that relate to its pension and other post employment benefits and property tax revenue that qualify for this category. Accordingly, these items are deferred and will be recognized as an inflow of resources in the period that the amount becomes available.

#### **Pensions**

The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). In addition the Town participates in the Statewide Defined Benefit Plan (SWDB), a cost sharing multi-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA).

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of December 31, 2020.

#### **Postemployment benefits other than pensions (OPEB)**

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

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

FPPA administers the Statewide Death & Disability Plan discussed in Note 7, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the Town, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any Net OPEB liability (asset) is \$-0-.

**Fund balances**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid items or inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the Town's highest level of decision making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Town's Board of Trustees.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town's Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when expenditure is incurred, it is the Town's policy to use the most restrictive classification first.

At December 31, 2020, the Town had \$166,000 restricted by legislation (for emergencies) and \$208,962 restricted for parks and recreation (Conservation Trust).

At December 31, 2020, the Town had \$391,922 committed for a future school building and \$32,497 assigned for the Town's insurance deductible.

The remaining fund balance is considered by the Town to be unassigned. At December 31, 2020, the Town had an unassigned fund balance in the general fund of \$4,376,594.

**Budgets**

In accordance with the State Budget Law, the Town's Board of Trustees holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The Town's Board of Trustees can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that the Town's management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Note 3 Cash and Investments**

Cash and investments are reflected on the December 31, 2020 Statement of Net Position as follows:

Cash and investments	\$ 22,671,423
Cash and investments-restricted	539,855
Total cash and investments	<u>\$ 23,211,278</u>

Cash and investments as of December 31, 2020 consist of the following:

Cash on hand	\$ 1,150
Deposits with financial institutions	11,423,208
Investments	11,786,920
Total cash and investments	<u>\$ 23,211,278</u>

At December 31, 2020, the Town's cash deposits had bank balances of \$11,595,336 and carrying balances of \$11,423,208.

**Deposits with financial institutions**

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2020, the federal insurance limit was \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's cash deposit and investment policy adopts state statutes regarding custodial credit risk for deposits. As of December 31, 2020, the Town's bank balances and carrying balances were insured or collateralized as follows:

Bank balances	
Federally insured	\$ 277,566
Collateralized	11,317,770
Total bank balances	<u>\$ 11,595,336</u>
Carrying balances	
Federally insured	\$ 277,691
Collateralized	11,145,517
Total carrying balances	<u>\$ 11,423,208</u>

**Investments**

The Town adopted an approved investment policy during 2020. The objectives of the policy are to provide safety, liquidity and yield while ensuring effective and judicious fiscal management of the Town's funds. The policy allows the Board of Trustees to authorize the Town Treasurer to invest all or any part of funds in securities which are authorized for investment by state law.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

As of December 31, 2020, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	
Colorado Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ 1,773,956
Colorado Surplus Asset Safe Trust (CSAFE) – Colorado CORE	Weighted average under 180 days	5,007,271
Colorado Statewide Investment Program (CSIP)	Weighted average under 60 days	5,005,693
Total Investments		<u>\$ 11,786,920</u>

**COLOTRUST**

The Town invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST using the net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**CSAFE**

At December 31, 2020, the Town had invested \$5,007,271 in Colorado Surplus Asset Fund Trust (CSAFE) Colorado Core (CORE). As an investment pool, CSAFE operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. CSAFE invests in securities that are specified by the Colorado Revised Statutes (24-75-601). CORE authorized securities primarily include highly rated commercial paper and corporate bonds, bank deposits (collateralized through PDPA) and other Colorado LGIP funds inclusive of other funds offered by CSAFE as allowed. CORE operates similarly to a money market fund and each share is equal in value to \$2.00. CORE measures all of its investments at amortized cost with a weighted average maturity of 180 days or less. CORE is rated AAAs/S1 by Fitch Ratings. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**CSIP**

At December 31, 2020, the Town had invested \$5,005,693 in Colorado Statewide Investment Program (CSIP) Liquid Portfolio (Portfolio). As an investment pool, CSIP operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. CSIP invests in securities that are specified by the Colorado Revised Statutes (24-75-601). The Portfolio authorized securities primarily include bank deposits (collateralized through PDPA), commercial paper, repurchase agreements, corporate securities, asset-backed securities and other Colorado LGIP funds inclusive of other funds offered by CSIP as allowed. The Portfolio operates similarly to a money market fund and each share is equal in value to \$1.00. CSIP records its



**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

investments at fair value and the Town records its investment in the Portfolio using the net asset value as determined by fair value. The Portfolio is rated AAAM by Standard & Poor's. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Restricted cash and investments**

As of December 31, 2020, cash is restricted as follows:

<b>Restriction</b>	<b>Amount</b>
Series 2012 Water Revenue Refunding and Improvement Bonds reserve	\$ 164,800
Conservation trust proceeds restricted for parks and recreation expenditures	209,055
Emergency reserves required by legislation (see Note 13)	166,000
Total	\$ 539,855

**Note 4 Capital assets**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
<b><u>Governmental activities</u></b>				
Capital assets, not being depreciated				
Land	\$ 116,698	\$ —	\$ —	\$ 116,698
Construction in process	2,519,821	4,061,675	6,581,496	—
Total capital assets, not being depreciated	2,636,519	4,061,675	6,581,496	116,698
Capital assets being depreciated				
Buildings	2,742,146	16,166	—	2,758,312
Parks	391,555	—	—	391,555
Streets	2,714,043	6,581,496	—	9,295,539
Infrastructure	166,944	—	—	166,944
Equipment	1,147,575	169,253	24,431	1,292,397
Total capital assets being depreciated	7,162,263	6,766,915	24,431	13,904,747
Less accumulated depreciations for				
Buildings	321,388	66,098	—	387,486
Parks	276,843	19,578	—	296,421
Streets	1,515,339	154,848	—	1,670,187
Infrastructure	102,136	5,565	—	107,701
Equipment	995,351	58,839	24,431	1,029,759
Total accumulated depreciation	3,211,057	304,928	24,431	3,491,554
Total capital assets being depreciated, net	3,951,206	6,461,987	—	10,413,193
Capital assets, net	\$ 6,587,725	\$10,523,662	\$6,581,496	\$ 10,529,891

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

Depreciation expense of governmental activities were charged to the following functions:

Function	Amount
General government - administrative	\$ 94,662
Public safety - police	28,928
Public works - streets	161,760
Public works - parks	19,578
	\$ 304,928

	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
<b><u>Business-type activities</u></b>				
Capital assets, not being depreciated				
Land	\$ 318,851	\$ —	\$ —	\$ 318,851
Water rights	509,688	—	—	509,688
Construction in progress	3,893,022	308,453	1,606,066	2,595,407
Total capital assets, not being depreciated	4,721,559	308,453	1,606,066	3,423,946
Capital assets being depreciated				
Building improvements	30,112	—	—	30,112
Building	2,227,640	17,026	—	2,244,666
Plant	21,735,639	524,573	—	22,260,212
Line and connections	3,469,568	1,155,705	—	4,625,273
Equipment	657,310	158,374	—	815,684
Meters	58,256	—	—	58,256
Vehicles	21,371	—	—	21,371
Total capital assets being depreciated	28,199,896	1,855,678	—	30,055,574
Less accumulated depreciations for				
Building improvements	28,116	1,457	—	29,573
Building	198,580	57,119	—	255,699
Plant	5,004,044	428,598	—	5,432,642
Line and connections	1,462,513	116,374	—	1,578,887
Equipment	540,915	6,259	—	547,174
Meters	58,256	—	—	58,256
Vehicles	9,928	3,270	—	9,928
Total accumulated depreciation	7,302,352	613,077	—	7,915,429
Total capital assets being depreciated, net	20,897,546	1,242,601	—	22,140,145
Capital assets, net	\$ 25,619,103	\$ 1,551,054	\$ 1,606,066	\$ 25,564,091

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

Depreciation expense of business type activities were charged to the following functions:

Function	Amount
Water operations	\$ 256,720
Sewer operations	356,357
	\$ 613,077

**Note 5 Long-Term Liabilities**

The following is a summary of the changes in long-term liabilities of the Town for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
<u>Governmental activities</u>					
2012 G. O. Refunding Bonds	\$ 720,000	\$ —	\$ 235,000	\$ 485,000	\$ 240,000
Bond premium	4,904	—	4,904	—	—
2018 Limited Tax G.O. Bonds	4,125,000	—	175,000	3,950,000	175,000
Bond premium	152,528	—	8,028	144,500	8,028
Capital leases	—	106,809	22,472	84,337	20,279
	5,002,432	106,809	445,404	4,663,837	443,307
<u>Business-type activities</u>					
Revenue bonds					
2012 Water	1,390,000	—	125,000	1,265,000	125,000
Bond premium	21,506	—	2,151	19,355	2,151
	\$ 1,411,506	\$ —	\$ 127,151	\$ 1,284,355	\$ 127,151

**Bonds Payable**

**General Obligation Bonds, Series 2018, dated April 18, 2018**

The bonds, in the original amount of \$4,500,000, mature on December 1, 2037, and require principal payments due on each December 1 with mandatory sinking fund redemption beginning in 2031. Interest at rates ranging from 3% to 4% is payable on June 1 and December 1 each year. The bonds are subject to redemption prior to maturity, at the option of the Town, on December 1, 2026 and on any date thereafter, without redemption premium. The bonds were issued to fund general capital projects.

**General Obligation Bonds, Series 2012, dated November 20, 2012**

The bonds, in the original amount of \$2,140,000, mature on December 1, 2022 with annual mandatory sinking fund principal payments due on each December 1. Interest at rates ranging from 2% to 3% is payable on June 1 and December 1 each year. The bonds are subject to redemption prior to maturity, at the option of the Town, on December 1, 2019 and on any date thereafter, without redemption premium. The bonds were issued to refund the Series 2002 G.O. Bonds.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

**Capital Lease**

During 2020 the Town entered a lease agreement for the purchase of police vehicles. The lease was for the capital cost of the equipment totaling \$106,809. The lease is due in payment of principal and interest of \$22,472 on November 20 through 2024. The lease bears an interest rate of 2.6%.

**Water Revenue Refunding Bonds, Series 2012, dated November 20, 2012**

The bonds, in the original amount of \$2,180,000, mature annually on December 1 through December 1, 2029. Interest at the initial and current rate of 2% to 3% is payable on June 1 and December 1 each year. The bonds are subject to redemption prior to maturity, at the option of the Town, at any time on and after December 1, 2020, at the redemption price, plus accrued interest. The bonds were issued to refund the Series 1997 and 2007 Revenue and Improvement Bonds.

The bonds require the Town to maintain a reserve in the amount of \$164,800. At December 31, 2020, the cash restricted for the bond reserve was \$164,800.

**Debt maturities**

The bond obligations of the governmental activities mature as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 415,000	\$ 152,200	\$ 567,200
2022	425,000	139,750	564,750
2023	190,000	127,000	317,000
2024	195,000	121,300	316,300
2025	200,000	115,450	315,450
2026-2030	1,095,000	483,800	1,578,800
2031-2035	1,315,000	282,000	1,597,000
2036-2037	600,000	36,200	636,200
	<u>\$ 4,435,000</u>	<u>\$ 1,457,700</u>	<u>\$ 5,892,700</u>

The lease obligations of the governmental activities mature as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 20,279	\$ 2,193	\$ 22,472
2022	20,807	1,665	22,472
2023	21,348	1,125	22,473
2024	21,903	569	22,472
	<u>\$ 84,337</u>	<u>\$ 5,552</u>	<u>\$ 89,889</u>

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

The obligations of the business-type activities mature as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$ 125,000	\$ 35,663	\$ 160,663
2022	125,000	32,538	157,538
2023	135,000	29,256	164,256
2024	135,000	25,713	160,713
2025	140,000	22,000	162,000
2026-2029	605,000	46,050	651,050
	\$ 1,265,000	\$ 191,220	\$ 1,456,220

**Debt authorization**

As of December 31, 2020, the Town had no authorized but unissued debt.

**Note 6 Net Position**

The Town has net position consisting of three components –net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, loans, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2020, the Town had net investment in capital assets as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Capital assets, net	\$ 10,529,891	\$ 25,564,094
Current portion of long-term debt	(443,307)	(127,151)
Long-term debt due in more than one year	(4,220,530)	(1,157,204)
Net investment in capital assets	\$ 5,866,054	\$ 24,279,739

Restricted net position includes net position that is restricted for use either externally imposed by creditors, net grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2020, the Town had restricted net position as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Emergency reserves (see Note 13)	\$ 166,000	\$ —
Conservation trust	208,962	—
Bond debt service (see Note 5)	—	164,800
Restricted net position	\$ 374,962	\$ 164,800

As of December 31, 2020, the Town had an unrestricted net position of \$4,824,727 in governmental activities and unrestricted net position in business-type activities of \$16,381,379.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

**Note 7 State Fire and Police Pension Plan (FPPA)  
Plan Description**

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid firefighters of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

**Description of Benefits**

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

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

A member is eligible for an early retirement at age 50 with at least five years of credited service 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 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**Contributions**

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of base salary for a total contribution rate of 19.0 percent in 2020. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. Contributions to the SWDB plan from the Town were \$58,160 for the year ended December 31, 2020.

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

At December 31, 2020, the Town reported an asset of \$51,926 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2019, the Town's proportion was 0.09181 percent, which was an increase of 0.00255 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Town recognized pension expense of (\$15,073). At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 175,726	\$ 1,016
Changes of assumptions or other inputs	98,596	—
Net difference between actual and projected earnings on pension plan investments	—	81,629
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,153	22,429
Contributions subsequent to the measurement date	58,160	—
Total	\$ 337,635	\$ 105,074

\$58,160 in total reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	<u>Amount</u>
2021	\$ 15,225
2022	8,155
2023	34,711
2024	266
2025	35,302
Thereafter	80,742

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

**Actuarial Assumptions**

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u><b>Total Pension Liability</b></u>	<u><b>Actuarial Determined Contributions</b></u>
Actuarial Valuation Date	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25 – 11.25%	4.0 – 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%

\*Includes Inflation at 2.5%

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

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



**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

**Discount rate**

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

**Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to changes in the Discount Rate**

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

	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability (Asset)	\$ 314,837	\$ (51,926)	\$ (356,107)

**Pension Plan Fiduciary Net Position**

Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at <http://www.fppaco.org>.

**Changes Between the Measurement Date of the Net Pension Asset and December 31, 2020**

House Bill 20-1044 was signed into law on April 1, 2020. Included in the bill is a provision to increase the benefits of the members of the Statewide Defined Benefit Plan through a Rule of 80 provision effective January 1, 2021. This provision provides for a normal retirement as early as age 50 if the member's age combined with years of service totals at least 80. The impact of this change was not included in the Total Pension Liability or the Collective Pension Expense as of the December 31, 2019 measurement period. This will be reflected in the December 31, 2020 measurement period. The total plan impact of the benefit adjustment is approximately \$53 million to the SWDB Plan.

**Note 8 Fire and Police Pension Association (FPPA) – 457 Plan**

Employees of the Town who are members of the FPPA Statewide Defined Benefit Plan may voluntarily contribute to the FPPA 457 Deferred Compensation Plan (FPPA 457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 1-800-332-FPPA (3772).

The FPPA 457 Plan is funded by voluntary member contributions of up to maximum limit set by the IRS (\$19,500 for 2020). Catch-up contributions of up to \$6,000 are allowed for participants who had attained the age of 50 before the close of the plan year. Plan member contributions to the 457 Plan were \$350 for 2020.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

**Note 9 Defined Benefit Pension Plan – PERA, Non-police staff**

**General Information about the Pension Plan**

*Plan Description*

Eligible employees of the Town are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided as of December 31, 2019*

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lessor of

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contributions provisions of December 31, 2020*

Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period 1/1/2020 through 12/31/2020 are summarized in the table below:

	January 1, 2020 through June 30, 2020	July 1, 2020 through December 30, 2020
Employer Contribution Rate*	10.00%	10.50%
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)*	(1.02)%	(1.02)%
Amount Apportioned to LGDTF*	8.98%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411*	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411*	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF*	12.68%	13.18%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were \$107,688 for the year ended December 31, 2020.

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

At December 31, 2020, the Town reported a liability of \$744,945 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The Town's proportion of the net pension liability was based on the Town's contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the Town's proportion was 0.10185 percent, which was a decrease of 0.00001 percent from its proportion measured as of December 31, 2018.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

For the year ended December 31, 2020, the Town recognized a credit to pension expense of (\$40,627). At December 31, 2020, the Town 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
Difference between Expected and Actual Experience	\$ 48,748	\$ —
Changes of Assumptions of other Inputs	—	—
Net Difference between Projected and Actual Earnings on Pension Plan Investments	—	304,767
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	10,061	—
Contributions Subsequent to Measurement Date	107,688	—
Total	\$ 166,497	\$ 304,767

\$107,688 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	\$ (41,491)
2022	(87,522)
2023	(12,959)
2024	(103,986)
2025	—
Thereafter	—

**Actuarial assumptions**

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

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

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**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 – 10.45%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hire Prior to January 1, 2007 and DPS Benefit Structure (Automatic)	1.25% Compounded Annually
PERA Benefit Structure Hire After December 31, 2006 (Ad Hoc, Substantively Automatic)	Finance by the Annual Increase Reserve

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

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

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

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

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

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

**Discount rate**

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
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**December 31, 2020**

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

**Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of Net Pension Liability	\$ 1,368,408	\$ 744,945	\$ 220,618

**Pension plan fiduciary net position**

Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report, which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Note 10 Postemployment Benefits Other Than Pensions**

**General Information about the OPEB Plan**

*Plan Description*

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

## Town of Lochbuie, Colorado

### NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2020

#### *Benefits Provided*

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

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

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

#### *PERA Benefit Structure*

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

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

#### *DPS Benefit Structure*

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.



**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

*Contributions*

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Town were \$8,498 for the year ended December 31, 2020.

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

At December 31, 2020, the Town reported a liability of \$87,679 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Town's proportion of the net OPEB liability was based on the Town's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the Town's proportion was 0.0078 percent, which was a decrease of 0.0009 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Town recognized OPEB expense of \$181. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 291	\$ 14,733
Changes of Assumptions of Other Inputs	727	—
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	—	1,463
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	11,884	1,091
Contributions Subsequent to Measurement Date	8,498	—
Total	\$ 21,400	\$ 17,287

\$8,498 reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2021	\$ 250
2022	250
2023	674
2024	(2,338)
2025	(3,036)
Thereafter	(185)

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

**Actuarial assumptions**

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50% in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Health Care Cost Trend Rates:	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2019, gradually rising to 4.50% in 2029

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members without Medicare Part A</b>	<b>Premiums for Members without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$ 601	\$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

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

<b>Medicare Plan</b>	<b>Cost for Members without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$ 562
Kaiser Permanente Medicare Advantage HMO	571

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

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

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

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

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2019	5.60%	5.60%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

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

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

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

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

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

**Sensitivity of the Town’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 85,597	\$ 87,679	\$ 90,087

**Discount Rate**

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

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

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

**Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the discount rate**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of Net OPEB Liability	\$ 99,140	\$ 87,679	\$ 77,879

**OPEB plan fiduciary net position**

Detailed information about the HCTF's fiduciary net position is available in PERA's CAFR, which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Note 11 Defined Contribution Plan**

The Town offers to employees participation in the Town of Lochbuie Section 457(b) Deferred Compensation Plan (457 Plan), an Internal Revenue Code Section 457 defined contribution plan. Nationwide Life Insurance Company is contracted to manage contributions and maintain participant accounts. Plan participation is voluntary.

The 457 Plan is funded by voluntary member contributions of up to maximum limit set by the IRS (\$19,500 for 2020). Catch-up contributions of up to \$6,000 are allowed for participants who had attained the age of 50 before the close of the plan year. Plan member contributions to the 457 Plan were \$23,566 for 2020.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

**Note 12 Intergovernmental Agreements**

**Beebe Draw Wastewater Service Agreement**

Effective August 14, 2009 the Town entered into the First Amended and Restated Beebe Draw Wastewater Service Agreement with the City of Brighton (Brighton) and the South Beebe Draw Metropolitan District (SBDMD). Under the terms of the agreement, the Town will maintain its wastewater treatment plant capacity to serve the Beebe Draw service area to full development. The expansion required to achieve the capacity is funded by special charges in the form of Plant Investment Fees (PIFs) which are to be collected and remitted to an income-producing escrow account. The escrow account is governed by an Escrow Agreement executed by the Town and Brighton. The Town is the owner, operator and manager of the treatment plant. PIFs in the escrow account are for the development, acquisition and construction of future facility expansions to serve property in the Beebe Draw Service Area.

**Note 13 Risk Management**

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a joint self-insurance pool created by intergovernmental agreement of over 200 municipalities to provide property, general and automobile liability, and public officials' coverage to its members. CIRSA is governed by a seven-member board elected by and from among its members. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool for the past three years.

**Note 14 Tax, Spending, and Debt Limitation**

Article X, Section 20 of the Colorado constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town's management believes the Enterprise funds of the Town qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

**Town of Lochbuie, Colorado**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2020**

The Town passed a ballot question on November 5, 1996. The ballot question permitted the Town to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property or its sales and use tax rates, the full revenues generated by the Town's sales and use tax, non-federal grants, its existing mill levy and any other excess revenues, commencing January 1, 1995, and each subsequent year, notwithstanding any state restrictions of Article X, Section 20, of the Colorado Constitution, and spend as a voter-approved change and exception to the limits which would otherwise apply for: (a) street construction, repair, and maintenance; (b) capital improvements; (c) parks and recreation; (d) police protection; (e) storm drainage; (f) snow removal; (g) street sweeping; and (h) other municipal services. In 2016, the Town received notification from the State of Colorado Department of Local Affairs that they have determined that the ballot question language is not sufficient to remove the Town from the statutory property revenue tax limitation of 5.5%.

**Note 15 Commitments and Contingencies**

**Claims and Judgments**

The Town participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. As of December 31, 2020, grant expenditures had not been audited, but the Town believes that any future audits will not discover disallowed expenditures that would have a material effect on any of the individual governmental funds or the overall financial position of the Town.



**REQUIRED SUPPLEMENTARY INFORMATION**

Town of Lochbuie, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CONSERVATION TRUST FUND

For the Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget - Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$ 50,000	\$ 70,565	\$ 20,565
Interest earnings	250	1,329	1,079
<b>Total revenues</b>	<u>50,250</u>	<u>71,894</u>	<u>21,644</u>
<b>Expenditures</b>			
Parks, recreation and improvements	<u>70,688</u>	<u>8,409</u>	<u>62,279</u>
<b>Total expenditures</b>	<u>70,688</u>	<u>8,409</u>	<u>62,279</u>
<b>Excess of revenues over (under) expenditures</b>	(20,438)	63,485	83,923
<b>Fund balance - beginning of year</b>	<u>292,093</u>	<u>145,477</u>	<u>(146,616)</u>
<b>Fund balance - end of year</b>	<u>\$ 271,655</u>	<u>\$ 208,962</u>	<u>\$ (62,693)</u>

**Town of Lochbuie, Colorado**

**Schedule of the Town's Proportionate Share of the Net Pension Liability (FPPA)  
Last Ten Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Measurement Date	<b>December 31, 2019</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Town's Proportion of the Net Pension Liability (Asset)	0.091812404%	0.089265284%	0.090542949%	0.094209938%	0.081311343%	0.073849047%	0.068573088%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ (51,926)	\$ 112,856	\$ (130,260)	\$ 34,042	\$ (1,433)	\$ (83,344)	\$ (61,317)
Town's Covered Payroll	\$ 676,691	\$ 406,175	\$ 559,800	\$ 482,150	\$ 393,362	\$ 332,133	\$ 297,842
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(7.7%)	27.8%	(23.3%)	7.1%	(0.4%)	(25.1%)	(20.6%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.2%	95.2%	106.3%	100.1%	100.1%	106.8%	105.8%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Covered payroll is presented based on the fiscal year. Information earlier than 2014 was not available.

**Schedule of Town Contributions  
Last Ten Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 58,160	\$ 54,135	\$ 32,494	\$ 44,784	\$ 38,572	\$ 31,534	\$ 26,571	\$ 23,827
Contributions in Relation to the Contractually Required Contribution	<u>58,160</u>	<u>54,135</u>	<u>32,494</u>	<u>44,784</u>	<u>38,572</u>	<u>31,534</u>	<u>26,571</u>	<u>23,827</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 726,997	\$ 676,691	\$ 406,175	\$ 559,800	\$ 482,150	\$ 393,262	\$ 332,133	\$ 297,842
Contributions as a Percentage of Covered Payroll	8%	8%	8%	8%	8%	8%	8%	8%

**Town of Lochbuie, Colorado**

**Schedule of the Town's Proportionate Share of the Net Pension Liability (PERA)  
Last Ten Fiscal Years**

Fiscal Year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Measurement Date	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Town's Proportion of the Net Pension Liability	0.101853158%	0.101937585%	0.096456296%	0.081126783%	0.066948385%	0.058781875%	0.064159924%
Town's Proportionate Share of the Net Pension Liability	\$ 744,945	\$ 1,281,573	\$ 1,073,973	\$ 1,095,488	\$ 737,491	\$ 526,867	\$ 527,985
Town's Covered Payroll	\$ 687,567	\$ 578,304	\$ 550,481	\$ 594,660	\$ 457,823	\$ 351,416	\$ 322,098
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	108.3%	221.6%	195.1%	184.2%	161.1%	149.9%	163.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%	77.7%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

**Schedule of Town Contributions  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 107,688	\$ 87,183	\$ 73,329	\$ 69,801	\$ 75,403	\$ 58,052	\$ 44,559	\$ 40,842
Contributions in Relation to the Contractually Required Contribution	<u>107,688</u>	<u>87,183</u>	<u>73,329</u>	<u>69,801</u>	<u>75,403</u>	<u>58,052</u>	<u>44,559</u>	<u>40,842</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 833,121	\$ 687,567	\$ 578,304	\$ 550,481	\$ 594,660	\$ 457,823	\$ 351,416	\$ 322,098
Contributions as a Percentage of Covered Payroll	12.9%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%

**Town of Lochbuie, Colorado**

**Schedule of the Town's Proportionate Share of the Net OPEB Liability (PERA)  
Last Ten Fiscal Years**

Fiscal Year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan Measurement Date	<b>December 31, 2019</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Town's Proportion of the Collective Net OPEB Liability	0.0078007272%	0.0078981950%	0.0074951007%	0.0062275787%
Town's Proportionate Share of the Collective Net OPEB Liability	\$ 87,679	\$ 107,458	\$ 97,406	\$ 80,743
Covered payroll	\$ 687,567	\$ 578,304	\$ 550,481	\$ 594,660
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	12.75%	18.58%	17.69%	13.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.49%	17.03%	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

**Schedule of Town Contributions  
Last Ten Fiscal Years**

Fiscal Year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 8,498	\$ 7,013	\$ 5,903	\$ 6,207	\$ 6,065
Contributions in Relation to the Contractually Required Contribution	\$ 8,498	\$ 7,013	\$ 5,903	\$ 6,207	\$ 6,065
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Covered Payroll	\$ 833,121	\$ 687,567	\$ 578,304	\$ 550,481	\$ 594,660
Contributions as a Percentage of Covered Payroll	1.0%	1.0%	1.0%	1.1%	1.0%

**SUPPLEMENTARY INFORMATION**

**Town of Lochbuie, Colorado**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - ENTERPRISE FUND - WATER**

**For the Year Ended December 31, 2020**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget - Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for services	\$ 2,100,000	\$ 2,338,722	\$ 238,722
Other operating	233,000	1,131,023	898,023
Tap fees/PIFs	1,263,600	22,809	(1,240,791)
Interest earnings	10,000	13,174	3,174
Other revenue	-	12,970	12,970
<b>Total revenues</b>	<b>3,606,600</b>	<b>3,518,698</b>	<b>(87,902)</b>
<b>Expenditures</b>			
Operations	1,212,111	646,391	565,720
Administrative and general	1,491,700	599,482	892,218
Capital outlay	4,125,000	345,497	3,779,503
Debt service	163,788	161,637	2,151
<b>Total expenditures</b>	<b>6,992,599</b>	<b>1,753,007</b>	<b>5,239,592</b>
<b>Changes in fund balance</b>	<b>(3,385,999)</b>	<b>1,765,691</b>	<b>5,151,690</b>
<b>Funds available - beginning of year</b>	<b>13,302,826</b>	<b>9,441,416</b>	<b>(3,861,410)</b>
<b>Funds available - end of year</b>	<b>\$ 9,916,827</b>	<b>\$ 11,207,107</b>	<b>\$ 1,290,280</b>

**RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT  
OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**

Revenues (budgetary basis)	<u>\$ 3,518,698</u>
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>3,518,698</u>
Expenditures (budgetary basis)	1,753,007
Depreciation	256,720
Principal payments of debt	(125,000)
Capital outlay	<u>(345,497)</u>
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>1,539,230</u>
Change in net assets per Statement of Revenues, Expenses and Changes in Position	<u>\$ 1,979,468</u>

Town of Lochbuie, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - ENTERPRISE FUND - SEWER

For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Final Budget - Favorable (Unfavorable)
<b>Revenues</b>			
Charges for services	\$ 930,000	\$ 1,002,788	\$ 72,788
Other operating	1,019,680	809,484	(210,196)
Tap fees/PIFs	1,089,600	6,963	(1,082,637)
Interest earnings	13,000	10,706	(2,294)
<b>Total revenues</b>	<u>3,052,280</u>	<u>1,829,941</u>	<u>(1,222,339)</u>
<b>Expenditures</b>			
Operations	1,319,930	775,982	543,948
Administrative and general	593,850	380,904	212,946
Capital outlay	1,317,000	212,570	1,104,430
<b>Total expenditures</b>	<u>3,230,780</u>	<u>1,369,456</u>	<u>1,861,324</u>
<b>Excess of revenues over expenditures</b>	(178,500)	460,485	638,985
<b>Funds available - beginning of year</b>	<u>16,184,377</u>	<u>6,056,270</u>	<u>(10,128,107)</u>
<b>Funds available - end of year</b>	<u>\$ 16,005,877</u>	<u>\$ 6,516,755</u>	<u>\$ (9,489,122)</u>

RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT  
OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Revenues (budgetary basis)	\$ 1,829,941
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	<u>1,829,941</u>
Expenditures (budgetary basis)	1,369,456
Depreciation	356,357
Capital outlay	(212,570)
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	<u>1,513,243</u>
Change in net assets per Statement of Revenues, Expenses and Changes in Net Position	<u>\$ 316,698</u>



**Town of Lochbuie, Colorado**

**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**December 31, 2020**

<b>Year Ended December 31,</b>	<b>\$2,140,000 General Obligation Bonds, Series 2012 Principal Due December 1, Interest Rate 2% to 3% Payable June 1 and December 1</b>			<b>\$4,500,000 Limited Tax General Obligation Bonds, Series 2018 Principal Due December 1 Interest Rate 2% to 4% Payable June 1 and December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	2021	\$ 240,000	\$ 14,550	\$ 254,550	\$ 175,000	\$ 137,650
2022	245,000	7,350	252,350	180,000	132,400	312,400
2023	-	-	-	190,000	127,000	317,000
2024	-	-	-	195,000	121,300	316,300
2025	-	-	-	200,000	115,450	315,450
2026	-	-	-	205,000	109,450	314,450
2027	-	-	-	210,000	103,300	313,300
2028	-	-	-	220,000	97,000	317,000
2029	-	-	-	225,000	90,400	315,400
2030	-	-	-	235,000	83,650	318,650
2031	-	-	-	245,000	76,600	321,600
2032	-	-	-	250,000	66,800	316,800
2033	-	-	-	260,000	56,800	316,800
2034	-	-	-	275,000	46,400	321,400
2035	-	-	-	285,000	35,400	320,400
2036	-	-	-	295,000	24,000	319,000
2037	-	-	-	305,000	12,200	317,200
	<u>\$ 485,000</u>	<u>\$ 21,900</u>	<u>\$ 506,900</u>	<u>\$ 3,950,000</u>	<u>\$ 1,435,800</u>	<u>\$ 5,385,800</u>

Town of Lochbuie, Colorado

**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

December 31, 2020

(continued)

**\$2,180,000 Water  
Revenue Bonds, Series 2012  
Principal Due December 1  
Interest Rate 2% to 3%**

Year Ended December 31,	Payable June 1 and December 1			Total		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 125,000	\$ 35,663	\$ 160,663	\$ 540,000	\$ 187,863	\$ 727,863
2022	125,000	32,538	157,538	550,000	172,288	722,288
2023	135,000	29,256	164,256	325,000	156,256	481,256
2024	135,000	25,713	160,713	330,000	147,013	477,013
2025	140,000	22,000	162,000	340,000	137,450	477,450
2026	145,000	18,150	163,150	350,000	127,600	477,600
2027	150,000	13,800	163,800	360,000	117,100	477,100
2028	150,000	9,300	159,300	370,000	106,300	476,300
2029	160,000	4,800	164,800	385,000	95,200	480,200
2030	-	-	-	235,000	83,650	318,650
2031	-	-	-	245,000	76,600	321,600
2032	-	-	-	250,000	66,800	316,800
2033	-	-	-	260,000	56,800	316,800
2034	-	-	-	275,000	46,400	321,400
2035	-	-	-	285,000	35,400	320,400
2036	-	-	-	295,000	24,000	319,000
2037	-	-	-	305,000	12,200	317,200
	<u>\$ 1,265,000</u>	<u>\$ 191,220</u>	<u>\$ 1,456,220</u>	<u>\$ 5,700,000</u>	<u>\$ 1,648,920</u>	<u>\$ 7,348,920</u>

Town of Lochbuie, Colorado

HISTORY OF TOWN ASSESSED VALUATION

December 31, 2020

<b>Levy Year/ Collection Year</b>	<b>Weld County</b>	<b>Adams County</b>	<b>Total Assessed Valuation</b>	<b>Percent Change</b>
2012/2013	\$ 18,463,420	\$ 199,310	\$ 18,662,730	
2013/2014	17,008,537	223,580	17,232,117	-7.67%
2014/2015	16,957,900	191,260	17,149,160	-0.48%
2015/2016	22,984,210	132,630	23,116,840	34.80%
2016/2017	24,756,620	127,890	24,884,510	7.65%
2017/2018	34,280,430	160,280	34,440,710	38.40%
2018/2019	38,033,630	97,900	38,131,530	10.72%
2019/2020	51,880,640	351,970	52,232,610	36.98%
2020/2021	76,745,480	100,100	76,845,580	47.12%

Source: Weld County and Adams County Assessors' Offices

## **SPECIAL REPORT**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Lochbuie
		YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _ Town of Lochbuie	Prepared By: Phone:	Denise Rademacher 303-990-5775

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,061,673
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	317,857
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	4,233,558	b. Snow and ice removal	14,090
3. Other local imposts (from page 2)	615,857	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	14,090
5. Transfers from toll facilities	0	4. General administration & miscellaneous	99,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	4,492,621
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	163,913
7. Total (1 through 6)	4,849,415	b. Redemption	410,000
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	573,913
<b>C. Receipts from State government</b> (from page 2)	217,118	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	5,066,534	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	573,913
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	5,066,533

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	4,958,925	0	410,000	4,548,925
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>		0	0	0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		5,066,534	5,066,533		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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	581,582	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	34,275	g. Other Misc. Receipts	0
6. Total (1. through 5.)	34,275	h. Other	0
c. Total (a. + b.)	615,857	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	190,217	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	26,901	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	26,901	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	217,118	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		283,674	283,674
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		1,075,045	1,075,045
(3). System Preservation		0	0
(4). System Enhancement & Operation		2,702,954	2,702,954
(5). Total Construction (1) + (2) + (3) + (4)	0	3,777,999	3,777,999
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,061,673	4,061,673
			(Carry forward to page 1)

Notes and Comments: