
CITY OF CRIPPLE CREEK,
COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2019



Contents

	Page
Financial Section	
Independent Auditors' Report.....	1 - 3
Management's Discussion And Analysis (Unaudited).....	I - XIV
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement Of Net Position	4
Statement Of Activities	5
<u>Fund Financial Statements</u>	
<i>Governmental Funds</i>	
Balance Sheet.....	6
Reconciliation Of The Governmental Funds Balance Sheet To The Statement Of Net Position	7
Statement Of Revenues, Expenditures And Changes In Fund Balances	8
Reconciliation Of The Governmental Funds Statement Of Revenues, Expenditures And Changes In Fund Balances To The Statement Of Activities	9
<i>Proprietary Funds</i>	
<i>Water And Sewer Fund</i>	
Statement Of Net Position	10
Statement Of Revenues, Expenses And Changes In Net Position.....	11
Statement Of Cash Flows.....	12
Notes To Basic Financial Statements.....	13 - 39
Required Supplementary Information (Unaudited)	
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - General Fund.....	40
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - Historic Preservation Fund.....	41
Schedule Of The City's Proportionate Share Of The Net Pension Asset.....	42
Schedule Of The City's Contributions To The Pension Plan.....	43
Notes To Required Supplementary Information.....	44

Contents

	Page
Supplementary Information	
<i>Governmental Funds</i>	
<i>Major Funds</i>	
<u>General Fund</u>	
Comparative Balance Sheet	45
Comparative Statement Of Revenues, Expenditures And	
Changes In Fund Balance	46
<u>Historic Preservation Fund</u>	
Comparative Balance Sheet	47
Comparative Statement Of Revenues, Expenditures And	
Changes In Fund Balance	48
<i>Proprietary Fund</i>	
<i>Enterprise Fund</i>	
<u>Water And Sewer Fund</u>	
Schedule Of Revenues, Expenses And Changes In	
Net Position - Budget And Actual (Non-GAAP	
Budgetary Basis).....	49
Special Reports Section	
Local Highway Finance Report.....	50 - 51



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Honorable Mayor and
Members of the City Council
Cripple Creek, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Cripple Creek, Colorado (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City'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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 I through XIV, budgetary comparison information on pages 40 - 41, the schedule of the City's proportionate share of the net pension asset (liability) and the schedule of the City's contributions and related ratios on pages 42 and 43 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The comparative fund financial statements, the budgetary comparison schedule for the Water and Sewer Fund and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative fund financial statements, the budgetary comparison schedule for the Water and Sewer Fund and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report On Comparative Information

We have previously audited the City's 2018 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated July 27, 2019. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

RubinBrown LLP

July 23, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Cripple Creek (City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2019. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by \$39,669,287 (total net position) for the calendar year reported. This represents a decrease of \$1,063,544, or 2.6%, over 2018. Much of the decrease was caused by depreciation expense recorded.
- Total net position are comprised of the following:
 - (1) Capital assets, net of related debt, of \$31,850,563 include property, equipment and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$2,703,790 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$4,866,188 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$6,052,370 this year. This compares to the prior year ending fund balance of \$5,714,669 showing an increase of \$337,701 during the current year. Unassigned fund balance of \$3,668,403 for calendar year 2019 shows a \$376,901 increase.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$3,445,204, or 43% of total General Fund annual expenditures.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received, or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and device fees and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, culture and recreation, interest and streets. The business-type activity includes the water and sewer system.

The government-wide financial statements are presented on pages 4 & 5 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported. All of the City's funds are classified as major.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 6 - 9 of this report.

The *Proprietary fund* is reported in the fund financial statements and generally report services for which the City charges customers a fee. The one City proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for water and sewer utilities.

The basic enterprise fund financial statements are presented on pages 10 - 12 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the General Fund and the major special revenue fund. Budgetary comparison schedules for the Enterprise Fund can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. Required supplementary information can be found on pages 40 – 44, and other additional material on page 45 of this report.

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules of these funds are presented in a subsequent section of this report.

Financial Analysis of the City as a Whole

The City's net position at calendar year-end is \$39,669,287. Note that governmental activities encompass the City's General and Historic Preservation Funds. The business activities encompass the City's Enterprise Fund, which are primarily water collection/distribution and water/wastewater treatment. The following table provides a summary of the City's net position:

Summary of Net Position

	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>	<u>% of Total</u>
Assets:				
Current assets	\$6,502,439	\$1,293,318	\$7,795,757	19.0%
Long-term assets	-	96,624	96,624	0.2%
Capital assets	<u>15,800,207</u>	<u>17,326,015</u>	<u>33,126,222</u>	80.8%
Total Assets	22,302,646	18,715,957	41,018,603	100%
Deferred Outflows of Resources				
Deferred loss on refunding		11,104	11,104	
Deferred pension outflow (Note 7)	541,928	-	541,928	
Liabilities:				
Current liabilities	351,382	135,965	487,347	27.6%
Long-term liabilities	<u>278,074</u>	<u>997,585</u>	<u>1,275,659</u>	72.4%
Total Liabilities	629,456	1,133,550	1,763,006	100%
Deferred Inflows of Revenues				
Property tax revenue	131,936		131,936	
Deferred pension inflow (Note 7)	7,406		7,406	
Net Position:	22,075,776	17,593,511	39,669,287	
Net investment in capital assets	15,800,207	16,299,102	32,099,309	80.9%
Restricted	2,607,166	96,624	2,703,790	6.8%
Unrestricted	<u>3,668,403</u>	<u>1,197,785</u>	<u>4,866,188</u>	12.3%
Total Net Position	<u><u>\$22,075,776</u></u>	<u><u>\$17,593,511</u></u>	<u><u>\$39,669,287</u></u>	100%
<i>Additional Information:</i>				
<i>Current Ratio</i>	18.5	9.5	16.0	
2018 Net Position	\$22,203,821	\$18,529,010	\$40,732,831	
2019 Net Position	\$22,075,776	\$17,593,511	\$39,669,287	
Dollar Change	\$(128,045)	\$(935,499)	\$(1,063,544)	
Percent Change	-0.6%	-5.0%	-2.6%	

The City continues to maintain an adequate current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 18.5 to 1 and 9.5 to 1 for business-type activities. For the City overall, the current ratio is 16 to 1. Governmental activities increased primarily due to the increase in capital assets. Business-type activities increased because of the decrease in current long-term liabilities.

The City reported a decreased balance in net position for the governmental activity and the business-type activities. Net position decreased \$128,045, or .6% for governmental activities. The business-type activities decreased by \$935,499, or 5% for the year. The City's overall financial position decreased by \$1,063,544, or 2.6%.

Note that approximately 71.6% of the governmental activities' net position are tied up in capital. The City uses these capital assets to provide services to its citizens. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. 98.5% of the City's total net position are included in capital assets. The following three tables provide more detailed comparisons in the change of net position from 2018 to 2019, by both governmental activities and business-type activities, as well as total net position.

Summary of Change in Net Position for Governmental Activities 2019 Compared to 2018

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current assets	\$ 6,502,439	\$ 6,192,221	\$310,218	5.0%
Long-term assets	-	-	-	
Capital assets	<u>15,800,207</u>	<u>16,304,581</u>	<u>(504,374)</u>	-3.1%
Total Assets	22,302,646	22,496,802	(194,156)	-0.9%
Deferred Outflows of Resources				
Deferred pension outflow (Note 7)	541,928	241,235	300,693	
Liabilities:				
Current liabilities	351,382	201,290	150,092	74.6%
Long-term liabilities	<u>278,074</u>	<u>132,996</u>	<u>145,078</u>	109.1%
Total Liabilities	629,456	334,286	295,170	88.3%
Deferred Inflows of Revenues				
Property tax revenue	131,936	130,238	1,698	1.3%
Deferred pension inflow (Note 7)	7,406	69,692	(62,286)	
Net Position	22,075,776	22,203,821	(128,045)	-0.6%
Net investment in capital assets	15,800,207	16,304,581	(504,374)	-3.1%
Restricted	2,607,166	2,423,180	183,986	7.6%
Unrestricted	<u>3,668,403</u>	<u>3,476,060</u>	<u>192,343</u>	5.5%
Total Net Position	\$ 22,075,776	\$ 22,203,821	\$(128,045)	-0.6%

Summary of Statement of Net Position for Business-type Activities 2019 Compared to 2018

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current assets	\$ 1,293,318	\$ 1,335,964	\$ (42,646)	-3.2%
Long-term assets	96,624	138,038	(41,414)	-30.0%
Capital assets	<u>17,326,015</u>	<u>18,280,780</u>	<u>(954,765)</u>	-5.2%
Total Assets	18,715,957	19,754,782	(1,038,825)	-5.3%
Deferred Outflows	<u>11,104</u>	<u>-</u>	<u>11,104</u>	100.0%
Liabilities:				
Current liabilities	135,965	150,699	(14,734)	-9.8%
Long-term liabilities	<u>997,585</u>	<u>1,075,103</u>	<u>(77,518)</u>	-7.2%
Total Liabilities	1,133,550	1,225,802	(92,252)	-7.5%
Net Position:	17,582,407	18,528,980	(946,573)	-5.1%
Net investment in				
capital assets	16,299,102	17,185,211	(886,109)	-5.2%
Restricted	96,624	138,038	(41,414)	
Unrestricted	<u>1,197,785</u>	<u>1,205,761</u>	<u>(7,976)</u>	-0.7%
Total Net Position	<u>\$ 17,593,511</u>	<u>\$ 18,529,010</u>	<u>\$ (935,499)</u>	-5.0%

Summary of Statement of Total Net Position - 2019 Compared to 2018

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current assets	\$ 7,795,757	\$7,528,185	\$267,572	3.6%
Long-term assets	96,624	138,038	(41,414)	-30.0%
Capital assets	<u>33,126,222</u>	<u>34,585,361</u>	<u>(1,459,139)</u>	-4.2%
Total Assets	41,018,603	42,251,584	(1,232,981)	-2.9%
Deferred Outflows of Resources				
Deferred loss on refunding	11,104	-	11,104	100.0%
Deferred pension outflow (Note 7)	541,928	241,235	300,693	55.5%
Liabilities:				
Current liabilities	487,347	351,989	135,358	38.5%
Long-term liabilities	<u>1,275,659</u>	<u>1,208,099</u>	<u>67,560</u>	5.6%
Total Liabilities	1,763,006	1,560,088	202,918	13.0%
Deferred Inflows of Revenues				
Property tax revenue	131,936	130,238	1,698	1.3%
Deferred pension inflow (Note 7)	7,406	69,692	(62,286)	-89.4%
Net Position:	39,669,287	40,732,831	(1,063,544)	-2.6%
Net investment in				
capital assets	32,099,309	33,489,792	(1,390,483)	-4.2%
Restricted	2,703,790	2,561,218		
Unrestricted	<u>4,866,188</u>	<u>4,681,821</u>	<u>184,367</u>	3.9%
Total Net Position	\$ <u>39,669,287</u>	\$ <u>40,732,831</u>	\$ <u>(1,063,544)</u>	-2.6%

Summary of Statement of Activities - Net Position for Governmental and Business-type

	Governmental Activities	Business-Type Activities	Total	Percent of Total
Revenues:				
<i>Program Revenues:</i>				
Charges for Service	\$ 745,236	\$ 1,009,557	\$ 1,754,793	16.4%
Grants, contributions, etc.	639,231	-	639,231	6.0%
Capital grants	84,441	-	84,441	0.5%
Total Program Revenues	1,468,908	1,009,557	2,478,465	22.9%
<i>General Revenues:</i>				
Property Taxes	130,617	-	130,617	1.2%
Sales Taxes	965,715	-	965,715	8.9%
Gaming Taxes	2,637,521	-	2,637,521	24.4%
Other Taxes	23,588	-	23,588	0.2%
Device Fees	3,600,441	405,211	4,005,652	37.3%
Investment Earnings	110,986	23,968	134,954	1.2%
Miscellaneous	388,441	43,599	432,040	3.9%
Transfers	-	-	-	0.0%
Total General Revenues	7,857,309	472,778	8,330,087	77.1%
Total Revenues	9,326,217	1,482,335	10,808,552	100.0%
Expenses:				
General Government	3,998,843	-	3,998,843	33.7%
Public Safety	3,458,338	-	3,458,338	29.1%
Streets	930,470	-	930,470	7.8%
Culture and Recreation	1,066,468	-	1,066,468	9.0%
Interest	143	-	143	0.0%
Water and Sewer	-	2,417,834	2,417,834	20.4%
Total Expenses	9,454,262	2,417,834	11,872,096	100.0%
Change in Net Position	(128,045)	(935,499)	(1,063,544)	
Beginning Net Position	22,203,821	18,529,010	40,732,831	
Ending Net Position	\$ 22,075,776	\$ 17,593,511	\$ 39,669,287	

GOVERNMENTAL REVENUES

The City is heavily reliant on gaming industry to generate revenues. 45.8% of governmental general revenues are device fees. Device fees, the state gaming tax distribution to the general fund, and the distribution of gaming tax through the historic preservation fund make up 79.3% of all governmental activities revenue. The City levies device fees quarterly. However, beginning in July 2009 casinos are allowed to pay the fees monthly. Each casino pays a fee for each gaming device (slot machine, table, etc.). A current schedule of device fees may be obtained from the City's finance office 689-2502.

Although the City received \$130,617 in property taxes and \$965,715 in sales and lodging taxes, the gaming taxes, which are received annually from the State of Colorado, based on market share, make up 33.6% of governmental general revenues. Therefore, when you combine device fee revenue (45.8%) and gaming taxes (33.6%), the governmental revenues directly attributable to gaming is 79.4%. The City of Cripple Creek is very reliant on the gaming industry for its revenues. Three other sources of governmental revenues experienced the following changes for 2019: property taxes were up \$3,415, sales and lodging tax collections were up \$118,626 or 14%. Investment earnings were up \$31,214 or 39%, due to higher interest rates/returns and more funds available for investment.

GOVERNMENTAL FUNCTIONAL EXPENSES

Eighty nine percent of total governmental expenditures are spent on general government, public safety and streets, which is one percent higher than in 2018. The streets expenses include the depreciation of infrastructure.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net cost illustrates the financial burden that are placed on the City's taxpayers by each of these functions.

Government Activities Total Cost of Service - 2019 Compared to 2018

	Total Cost 2019	Total Cost 2018	Dollar Change	Percent Change
General government	3,998,843	3,789,475	209,368	5.5%
Public Safety	3,458,338	3,382,214	76,124	2.3%
Streets	930,470	945,133	(14,663)	-1.6%
Interest	143	1,757	(1,614)	-91.9%
Culture & Recreation	1,066,468	1,054,427	12,041	1.1%
Total	\$ 9,454,262	\$ 9,173,006	\$281,256	3.1%

Although the City reports little program revenue, much of the general government functions, listed in the above table, are funded by device fees. Device fees are reported as general revenue, rather than program revenue, therefore, the net cost of services mirror the total cost of services.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The operating revenues for the water and sewer fund were up \$44,384, or 4.4% from 2018, due to more water sales to Newmont Mining. Operating expenses were down \$47,293 or 2%, compared to 2018. These business-type activities reported a \$1,298,321 operating loss compared to an operating loss of \$1,389,998 for the prior year, a decrease of \$91,677 or 6.7%. Although operating losses are common in this fund, the user rates are not established to recover total cost since a portion of the device fees are included in this fund to offset the operating losses. The total net position decreased in calendar 2019 by \$955,499 versus a decrease of \$1,209,956 in calendar 2018. Personnel service costs (labor costs) decreased \$15,501 or 2.2% over 2018. Depreciation costs decreased approximately \$3,401 over calendar 2018.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds (General and Historic Preservation Funds) are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$6,052,370. Of this year-end total, \$3,668,403, or 60.6% is unassigned indicating availability for continuing City service requirements. Legally restricted fund balances (i.e. the reserved fund balances) relates to the Tabor (Tax Payer Bill of Rights) requirement to set aside a portion of fund balance for emergencies, funds donated for a specific purpose and funds restricted for Historic Preservation totaled \$2,607,166. The total ending fund balances of governmental funds shows a increase of \$337,701 or 6% compared to the prior year.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased by \$169,309 or 4.8%, due to receiving grant reimbursement dollars. Property taxes represent only 1.6% of total general fund revenues. Device fee revenue decreased \$34,927, or 1% for the year. Gaming taxes received by the general fund increased \$51,984, or approximately 3.1%. The increase was caused by a state-wide increase in gaming taxes paid, which the City receives a portion of based on market share between the three towns. Investment earnings were up \$23,129 or 52%, due to higher interest rates/returns and more funds available for investment.

In the General Fund, the expenditures side shows a increase of \$408,401 or 5.4% over the prior year. Expenditures increased due the purchase of the Star Building for \$328K. The General Fund's ending fund balance is considered adequate, representing the equivalent of 46% of annual expenditures. The figure was 46% for 2018.

The Historic Preservation Fund increased its fund balance by \$168,392 or 7.6%. Revenues increased \$31,284, or 2.7% compared to 2018, primarily due to the increase in the Historic Preservation tax distribution. Expenses increased \$32,751, or 3.6%.

Budgetary Highlights

The following table highlights the 2019 adopted budget vs. the actual experience that was incurred during the year.

Budgetary Highlights by Fund

	2019 Adopted Budget	2019 Actual	Variance - Actual to Budget
General Fund:			
Revenues	7,783,965	8,036,463	252,498
Expenditures	8,050,276	7,978,104	(72,172)
Historic Preservation Fund:			
Revenues	1,179,166	1,200,804	21,638
Expenditures	1,023,325	932,412	(90,913)
Enterprise Fund:			
Revenues	2,041,571	1,482,335	(559,236)
Expenditures	2,438,881	1,469,188	(969,693)

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2019, was \$15,800,736 and \$17,326,015 respectively. The total decrease in this net investment was 2% for governmental and a increase of 9.5% for business-type activities. See Note 4 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	\$8,035,941	\$8,035,941	\$973,015	\$973,015	\$9,008,956	\$9,008,956
Construction in progress	\$113,530	\$106,210	\$54,900			-
Water rights			1,658,254	1,658,254	1,658,254	1,658,254
Total non-depreciable	8,149,471	8,142,151	2,686,169	2,631,269	10,667,210	10,667,210
Depreciable assets:						
Land improvements			12,271,155	12,271,155	12,271,155	12,271,155
Buildings	15,058,477	14,725,433			15,058,477	14,725,433
Equipment	2,597,622	2,462,865	1,608,373	1,534,183	4,205,995	3,997,048
Infrastructure and plants	33,841,459	33,803,925	21,116,518	18,406,688	54,957,977	52,210,613
Total Depreciable assets	51,497,558	50,992,223	34,996,046	32,212,026	86,493,604	83,204,249
Less accumulated depreciation	35,696,822	34,687,642	17,670,031	16,562,495	53,366,853	51,250,137
Book value - depreciable assets	15,800,736	16,304,581	17,326,015	15,649,531	33,126,751	31,954,112
Percentage depreciated	69%	68%	50%	51%	62%	62%
Book value - all assets	\$23,950,207	\$24,446,732	\$20,012,184	\$18,280,800	\$43,962,391	\$42,727,532
Change in \$	(496,525)		1,731,384		1,234,859	
Change in %	-2.0%		9.5%		2.9%	

At December 31, 2019, the depreciable capital assets for governmental activities were 69% depreciated. This compares to 68% at December 31, 2018. With the City's business type activities, 50% of the asset values were depreciated at December 31, 2019 compared to 51% at December 31, 2018. Overall, the City percentage of assets depreciated in both governmental and business activity is 62%.

Long-term Debt

The governmental activities long-term debt consists of capital leases and compensated absences due to employees for earned, but untaken vacation.

At the end of the calendar year in the water and sewer fund, the City had total bonded principal debt outstanding of \$1,010,000, which represents a decrease of 7.8% from 2018. These bonds are supported by pledged revenues generated primarily by the water and sewer fund. This fund also reports notes payable and compensated absences payable.

Outstanding Borrowing

	Governmental Activities		Business-type Activities		Totals		% Change
	2019	2018	2019	2018	2019	2018	
Revenue Bonds	\$ -	\$ -	\$1,010,000	\$664,169	\$1,010,000	\$664,169	52.1%
Capital Leases	-	-	-	-	-	-	
Notes				431,400	-	431,400	100.0%
Premium on bond			28,017				
Compensated absences	169,239	166,245	24,460	30,917	193,699	197,162	-1.8%
Total	\$169,239	\$166,245	\$1,062,477	\$1,126,486	\$1,203,699	\$1,292,731	-6.9%

See Note 5 for additional information about the City's long-term debt.

Summary of Revenues and Expenditures

Total Revenues - All Funds			Dollar	Percent
	2019	2018	Change	Change
General Fund	\$ 8,036,463	\$7,784,052	\$252,411	3.2%
Historic Preservation Fund	1,200,804	1,169,520	31,284	2.7%
Enterprise Fund	1,482,335	1,429,622	52,713	3.7%
Total	10,719,602	10,383,194	336,408	3.2%

Total Expenditures - All Funds			Dollar	Percent
	2019	2018	Change	Change
General Fund	7,978,104	7,570,063	408,041	5.4%
Historic Preservation Fund	932,412	899,661	32,751	3.6%
Enterprise Fund	1,469,188	1,414,076	55,112	3.9%
Total	10,379,704	9,883,800	495,904	5.0%

Excess (Deficit) Revenues to Expenditures			Dollar	Percent
	2019	2018	Change	Change
General Fund	58,359	213,989	(155,630)	-72.7%
Historic Preservation Fund	268,392	269,859	(1,467)	-0.5%
Enterprise Fund	13,147	15,546	(2,399)	15.4%
Total	\$ 339,898	\$499,394	\$(159,496)	31.9%

Note that deficit spending is covered by the fund balance dollars in each fund, or transfers between funds.

Economic Conditions Affecting the City

The City experienced an increase in its total revenues in 2019 – of \$336,408, or 3.2%. The revenue increase in revenue came from grants, investment earnings, sales and lodging taxes, gaming taxes, etc. Unfortunately, the number of gaming devices continues to decline.

On the expense side of the equation, the City increased total expenditures by \$495,904, or 5%, from 2018 to 2019. The majority of the increase in expenses were related to the General Fund’s purchase of the Star Building for \$328K.

In summary, the City had increases in both revenue and expense in 2019, compared to 2018, with expenses increasing more than revenue. Over the past few years, the City has turned to grant funding to complete needed infrastructure projects and operate its Transit system.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's finance director at 689-2502.

CITY OF CRIPPLE CREEK, COLORADO

STATEMENT OF NET POSITION

December 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 547,138	\$ 282,514	\$ 829,652
Investments	5,607,962	957,336	6,565,298
Receivables:			
Accounts	215,403	53,468	268,871
Property taxes	131,936	—	131,936
Capital Assets			
Nondepreciable capital assets	8,149,471	2,686,169	10,835,640
Depreciable capital assets, net	7,650,736	14,639,846	22,290,582
Other Long-Term Assets			
Restricted investments	—	96,624	96,624
Total Assets	22,302,646	18,715,957	41,018,603
Deferred Outflows Of Resources			
Deferred loss on refunding	—	11,104	11,104
Deferred pension outflow	541,928	—	541,928
Total Deferred Outflows Of Resources	541,928	11,104	553,032
Liabilities			
Current Liabilities			
Accounts payable	254,920	34,612	289,532
Accrued expenses	63,213	6,384	69,597
Unearned revenues	—	30,077	30,077
Compensated absences payable	33,249	4,892	38,141
Bonds payable	—	60,000	60,000
Long-Term Liabilities			
Compensated absences payable	135,990	19,568	155,558
Bonds payable	—	950,000	950,000
Bond premium	—	28,017	28,017
Net pension liability	142,084	—	142,084
Total Liabilities	629,456	1,133,550	1,763,006
Deferred Inflows Of Resources			
Property tax revenue	131,936	—	131,936
Deferred pension inflow	7,406	—	7,406
Total Deferred Inflows Of Resources	139,342	—	139,342
Net Position			
Net investment in capital assets	15,800,207	16,299,102	32,099,309
Restricted for:			
Emergencies	231,068	—	231,068
Historic preservation	2,376,098	—	2,376,098
Debt service	—	96,624	96,624
Unrestricted	3,668,403	1,197,785	4,866,188
Total Net Position	\$ 22,075,776	\$ 17,593,511	\$ 39,669,287

CITY OF CRIPPLE CREEK, COLORADO

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2019

Function/Program	Expenses	Program Revenues			Net Revenue (Expenses) And Changes In Net Position		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General government	\$ 3,998,843	\$ 480,011	\$ 250,945	\$ —	\$ (3,267,887)	\$ —	\$ (3,267,887)
Public safety	3,458,338	14,650	313,518	84,441	(3,045,729)	—	(3,045,729)
Streets	930,470	—	51,482	—	(878,988)	—	(878,988)
Culture and recreation	1,066,468	250,575	23,286	—	(792,607)	—	(792,607)
Interest	143	—	—	—	(143)	—	(143)
Total Governmental Activities	9,454,262	745,236	639,231	84,441	(7,985,354)	—	(7,985,354)
Business-Type Activities							
Water and sewer	2,417,834	1,009,557	—	—	—	(1,408,277)	(1,408,277)
Total - Primary Government	\$ 11,872,096	\$ 1,754,793	\$ 639,231	\$ 84,441	(7,985,354)	(1,408,277)	(9,393,631)
General Revenues							
Property taxes					130,617	—	130,617
Sales and lodging taxes					965,715	—	965,715
Gaming taxes					2,637,521	—	2,637,521
Other taxes					23,588	—	23,588
Device fees					3,600,441	405,211	4,005,652
Investment earnings					110,986	23,968	134,954
Miscellaneous					388,441	43,599	432,040
Total General Revenues					7,857,309	472,778	8,330,087
Changes In Net Position					(128,045)	(935,499)	(1,063,544)
Net Position, Beginning Of Year					22,203,821	18,529,010	40,732,831
Net Position, End Of Year					\$ 22,075,776	\$ 17,593,511	\$ 39,669,287

CITY OF CRIPPLE CREEK, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS**December 31, 2019**

	Assets		
	General	Historic Preservation	Total Governmental Funds
Cash and cash equivalents	\$ 358,513	\$ 188,625	\$ 547,138
Investments	3,395,465	2,212,497	5,607,962
Receivables:			
Accounts	212,290	3,113	215,403
Property taxes	131,936	—	131,936
Total Assets	\$ 4,098,204	\$ 2,404,235	\$ 6,502,439

Liabilities, Deferred Inflows Of Resources And Fund Balance**Liabilities**

Accounts payable	\$ 228,887	\$ 26,033	\$ 254,920
Accrued expenditures	61,109	2,104	63,213
Total Liabilities	289,996	28,137	318,133

Deferred Inflows Of Resources

Property tax revenue	131,936	—	131,936
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Fund Balance

Restricted	231,068	2,376,098	2,607,166
Unassigned	3,445,204	—	3,445,204
Total Fund Balance	3,676,272	2,376,098	6,052,370

**Total Liabilities, Deferred Inflows Of
Resources And Fund Balance**

	\$ 4,098,204	\$ 2,404,235	\$ 6,502,439
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CITY OF CRIPPLE CREEK, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION December 31, 2019

Total Governmental Fund Balances		\$ 6,052,370
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.		
Nondepreciable capital assets		8,149,471
Depreciable capital assets	\$ 43,347,558	
Less: Accumulated depreciation	<u>(35,696,822)</u>	7,650,736
Pension plan accounts, such as deferred inflows/outflows and net pension liability, are not receivable or payable in the current period and, therefore, are not reported in the funds.		
Net pension liability		(142,084)
Deferred outflow of resources		541,928
Deferred inflow of resources		(7,406)
Compensated absences are not reported in the funds statements until due, but are reported in the statement of net position when the liability is incurred.		
Compensated absences		<u>(169,239)</u>
Net Position Of Governmental Activities		<u><u>\$ 22,075,776</u></u>

CITY OF CRIPPLE CREEK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended December 31, 2019

	General	Historic Preservation	Total Governmental Funds
Revenues			
Property taxes	\$ 130,617	\$ —	\$ 130,617
Sales taxes	728,356	—	728,356
Lodging taxes	237,359	—	237,359
Gaming taxes	1,754,574	882,947	2,637,521
Other taxes	23,588	—	23,588
Device fees	3,600,441	—	3,600,441
Intergovernmental	636,867	—	636,867
Licenses and permits	184,752	—	184,752
Charges for service	272,232	—	272,232
Fines and forfeitures	13,973	—	13,973
Investment earnings	67,864	43,122	110,986
Rental income	23,027	200,000	223,027
Operating grants, contributions and interest	—	8,805	8,805
Ticket and retail sales	677	50,575	51,252
Miscellaneous	362,136	15,355	377,491
Total Revenues	8,036,463	1,200,804	9,237,267
Expenditures			
Current:			
General government	3,455,271	460,153	3,915,424
Public safety	3,189,863	—	3,189,863
Streets	336,204	—	336,204
Culture and recreation	531,797	467,259	999,056
Capital outlay	464,826	5,000	469,826
Debt service:			
Interest payments	143	—	143
Total Expenditures	7,978,104	932,412	8,910,516
Other Financing Sources (Uses)			
Transfers in (out)	100,000	(100,000)	—
Proceeds from sale of asset	10,950	—	10,950
Other Financing Sources (Uses)	110,950	(100,000)	10,950
Net Changes In Fund Balance	169,309	168,392	337,701
Fund Balance, Beginning Of Year	3,506,963	2,207,706	5,714,669
Fund Balance, End Of Year	\$ 3,676,272	\$ 2,376,098	\$ 6,052,370

CITY OF CRIPPLE CREEK, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019**

Net Change In Fund Balances - Total Governmental Funds **\$ 337,701**

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Depreciation expense	\$ (1,037,113)	
Capital outlay	<u>454,739</u>	(582,374)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not current financial resources. 78,000

Pension amounts do not use current financial resources and, therefore, are not reported in the governmental funds. 41,622

Compensated absences reported in the government-wide statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Liability at December 31, 2019	(169,239)	
Liability at December 31, 2018	<u>166,245</u>	
Changes in compensated absences		<u>(2,994)</u>

Change In Net Position Of Governmental Activities **\$ (128,045)**

CITY OF CRIPPLE CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - WATER AND SEWER FUND

For The Year Ended December 31, 2019
(With Comparative Financial Information
For The Year Ended December 31, 2018)

	2019	2018
Operating Revenues		
Water fees	\$ 781,386	\$ 757,552
Sewer fees	216,171	200,380
Tap fees	12,000	6,000
Miscellaneous	43,279	44,520
Total Operating Revenues	1,052,836	1,008,452
Operating Expenses		
Professional services	86,089	97,748
Supplies	23,252	33,902
Personnel services	697,375	712,876
Maintenance and repairs	178,561	191,568
Utilities and telephone	187,943	174,698
Depreciation	1,107,536	1,110,937
Other	70,401	76,721
Total Operating Expenses	2,351,157	2,398,450
Operating Loss	(1,298,321)	(1,389,998)
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(26,573)	(61,128)
Interest earnings	23,968	21,188
Bond refinance costs	(40,104)	—
Gain on sale of assets	320	—
Device fees (security for debt)	405,211	399,982
Total Nonoperating Revenues	362,822	360,042
Changes in net position	(935,499)	(1,029,956)
Net Position, Beginning Of Year	18,529,010	19,558,966
Net Position, End Of Year	\$ 17,593,511	\$ 18,529,010

CITY OF CRIPPLE CREEK, COLORADO

STATEMENT OF CASH FLOWS - WATER AND SEWER FUND

For The Year Ended December 31, 2019

(With Comparative Financial Information

For The Year Ended December 31, 2018)

	2019	2018
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,043,393	\$ 1,051,518
Cash payments to employees for personnel services	(704,740)	(702,142)
Cash payments for goods and services	(569,031)	(535,194)
Net Cash Used In Operating Activities	(230,378)	(185,818)
Cash Flows From Noncapital Financing Activities		
Device fees	405,211	399,982
Grants	(40,104)	—
Net Cash Provided By Noncapital Financing Activities	365,107	399,982
Cash Flows From Capital And Related Financing Activities		
Proceeds from debt issuance	1,078,017	—
Principal paid on revenue bonds	(40,000)	(42,900)
Retirement of bond principal	(1,095,569)	—
Principal paid on capital leases	(11,104)	—
Proceeds from sales of capital assets	319	—
Interest paid on capital financing	(44,673)	(58,717)
Payments for capital acquisitions	(152,771)	(22,535)
Net Cash Used In Capital And Related Financing Activities	(265,781)	(124,152)
Cash Flows From Investing Activities		
Investment earnings	23,969	21,188
Purchase of investments	(23,969)	(21,188)
Net Cash Used In Investing Activities	—	—
Net Increase (Decrease) In Cash And Cash Equivalents	(131,052)	90,012
Cash And Equivalents, Beginning Of Year	413,566	323,554
Cash And Equivalents, End Of Year	\$ 282,514	\$ 413,566
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Operating loss	\$ (1,298,321)	\$ (1,389,998)
Adjustments		
Depreciation	1,107,536	1,110,937
(Increase) decrease in assets:		
Accounts receivable	(23,023)	41,675
Increase (decrease) in liabilities:		
Accounts payable	(22,785)	39,443
Accrued wages	(908)	4,596
Unearned revenue	13,580	1,391
Compensated absences payable	(6,457)	6,138
Net Cash Used In Operating Activities	\$ (230,378)	\$ (185,818)

CITY OF CRIPPLE CREEK, COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

1. Summary Of Significant Accounting Policies

The financial statements of the City of Cripple Creek, Colorado (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the City's accounting policies are described below.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization or (2) the City is legally entitled to or can otherwise access the organization's resources or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt. Based upon these criteria, the City is the total reporting entity, and no component units are included.

Basis Of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Government-Wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers. The effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City. Other revenue sources not properly included with program revenues are reported as general revenues of the City.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must, be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and deferred outflows, and liabilities and deferred inflows, as fund balance. The following are the City's major governmental funds:

The General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's balance is available to the City for any purpose, provided it is expended or transferred according to the general laws of Colorado.

Historic Preservation Fund - This fund is used to rebuild and promote the City and the community through the preservation and protection of the City's historic environment and its National Historic Landmark District status.

Proprietary Fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary fund is classified as a major enterprise fund, consisting of the following:

Water and Sewer Fund - This fund provides water and sewer services to City residents.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the enterprise fund is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The enterprise fund uses the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

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

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year end.

Revenues - Nonexchange Transactions - Nonexchange transactions, in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, gaming taxes, device fees, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Property taxes are assessed in one year for the subsequent year’s budget. Therefore, at December 31, in the government-wide financial statements, the City reports property taxes receivable and an equal amount of deferred inflows of resources. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e., collected within 60 days) before it can be recognized on the governmental funds balance sheet. If not collected within 60 days of year end, the property tax receivable is recorded as a deferred inflow of resources.

Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, device fees, gaming taxes, interest and federal and state grants.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as unearned revenue or as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue or as deferred inflows of resources.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Cash, Cash Equivalents And Investments

For the purpose of presentation on the statement of cash flows, cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. Investments are stated at fair value based on quoted market prices.

Receivables

All trade, notes and property tax receivables are reported net of an allowance for uncollectables, where applicable.

Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. Liens are attached to the assessed property if taxes become delinquent.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the City fund financial statements. Capital assets used by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund statement of net position.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of \$5,000.

The City's infrastructure includes roads, bridges, storm sewers, sidewalks, curbs and gutters, intersections, street lights, parks, street signs and water and sewer lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets used by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities' Estimated Lives	Business-Type Activities' Estimated Lives
Buildings	25 years	25 - 40 years
Machinery and equipment	5 years	4 - 10 years
Vehicles	5 - 20 years	4 - 10 years
Reservoir, plant and systems	—	15 - 60 years
Infrastructure	3 - 35 years	—

At the inception of capital leases at the governmental fund reporting level, capital outlay expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68), as well as deferred loss amounts related to debt refunding transactions.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the government-wide financial statements in the period that the amounts were levied for. The City has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements of GASB 68.

Compensated Absences

Vacation benefits are accrued as a liability, as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits do not vest. All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements for both governmental activities and the business-type activities. The enterprise fund also reports the total compensated absence liability at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Accrued Liabilities And Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Debt premiums and discounts and deferred amounts on refunding, if any, are deferred and amortized over the life of the debt instrument using the straight-line method. Outstanding debt instruments are reported net of the applicable premiums and discounts.

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

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Statewide Defined Benefit Plan (SWDBP) and additions to/deductions from SWDBP's fiduciary net position have been determined on the same basis as they are reported by SWDBP. For these purposes, 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.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as fund balance. Fund equity for all other reporting is classified as net position.

Fund Balance - Generally, fund balance represents the difference between current assets, deferred outflows, current liabilities and deferred inflows. Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City restricts amounts that have limitations imposed by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City's highest level of decision-making authority. Committed fund balance includes amounts that can only be used for specific purposes. Commitments may be modified or rescinded only through resolutions approved by the City Council. Assigned fund balance includes amounts constrained for a specific purpose by the governing body or a committee or official that has been designated authority by the City Council to assign amounts. The Finance Director is designated as the person to determine fund balance amounts that will be reported as assigned on the City's year-end financial statements. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

In the case where there are various components of fund balance available to be spent for a specific purpose, the City's policy is to spend the most restricted funds first.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

Operating Revenues And Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for water and sewer services. Operating expenses are necessary costs incurred to provide these services.

Contributions Of Capital

Contributions of capital in enterprise fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another, without a requirement for repayment, are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Any transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are also eliminated.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Comparative Data

The basic financial statements include certain prior-year partial comparative information in total, but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

New Accounting Standard

In the preparation of these financial statements, the County adopted the recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement postpones by one year the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018.

Stewardship, Compliance And Accountability

Budgetary Information - The City adopts an annual operating budget for the General Fund, each special revenue fund and the enterprise fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental fund budgets are adopted on a basis consistent with GAAP. The budget for the enterprise fund is adopted on a non-GAAP, modified accrual budgetary basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the individual fund level. Any change in total to a fund appropriation requires approval of the City Council.

The Finance Director may approve budget transfers between departments and/or functions. During the year, the Finance Director approved minor budget revisions within each department. All unexpended annual appropriations lapse at year end.

2. Cash And Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) of 1989 requires that all units of local government deposit cash in eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2019, the City had bank deposits of \$753,444 collateralized with securities held by the financial institution's agent but not in the City's name.

Custodial Credit Risk - This is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. As of December 31, 2019, the City's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation and collateralized in accordance with PDPA. The City does not have a deposit policy for custodial credit risk beyond Colorado State Statute requirements.

Restricted Investments

The Water and Sewer Fund (an enterprise fund) is required to establish a bond reserve account related to the 2019 refunding bonds, restricted for the payment of the bonds and related interest. As of December 31, 2019, the Bond Reserve Account held a balance of \$96,624 to meet the requirement. The City holds the investment in a Colorado Government Liquid Asset Trust (COLOTRUST or the Trust) account.

Investments

Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

As of December 31, 2019, the City's investments had the following maturities:

Investment Type For The City	Fair Value	Up To 120 Days	Credit Rating
COLOTRUST	\$ 6,661,922	\$ 6,661,922	AAAm
Total Investments Controlled By The City	\$ 6,661,922	\$ 6,661,922	

The City invested \$6,661,922 in COLOTRUST. The Trust is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing public investment pools. The investment is an external investment pool that reports at the fair value per share of the pool's underlying portfolio. The unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held. For pricing and redeeming shares, COLOTRUST maintains a stable net asset value (NAV) of \$1 per share, which approximates fair value. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables and payables. All COLOTRUST investments are reported at NAV. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+, which are both rated AAAM by Standard & Poor's. 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. Financial statements and information about the pool for COLOTRUST may be obtained through its website at www.colotrust.com. COLOTRUST may, without the necessity of a formal meeting of their Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed shares under certain specific conditions described in their trust indenture, and during any financial emergency when it is not reasonably practicable because of substantial losses which might be incurred.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Total Cash, Cash Equivalents And Investments

Total cash and cash equivalents	\$ 829,652
Total investments and restricted investments	<u>6,661,922</u>
Total Cash, Cash Equivalents And Investments	<u>\$ 7,491,574</u>

Interest Rate Risk - Beyond Colorado State Statute requirements, the City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments to the above-mentioned investment vehicles to the top two ratings issued by nationally recognized statistical rating organizations. The City has an investment policy that would further limit its investment choices.

Custodial Credit Risk - The City places no limit on the amount that may be invested in any one issuer, and the City has a formal policy to address custodial credit risk beyond Colorado State Statute requirements.

Concentration Risk - The City has 100% of its total investments with COLOTRUST. However, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, and the City's investment policy do not recognize investments in external investment pools as being an exposure to concentration risk.

3. Receivables

Receivables at December 31, 2019 consisted of taxes, fees and billings for user charges and other grant reimbursements outstanding. Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability. As the City determined all receivables to be collectible, no allowance for doubtful accounts was recorded as of December 31, 2019.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (Continued)

4. Capital Assets

Capital asset government activity for the year ended December 31, 2019 was as follows:

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
Government Activities				
Capital assets not being depreciated:				
Land	\$ 8,035,941	\$ —	\$ —	\$ 8,035,941
Construction in process	106,210	7,320	—	113,530
Total Capital Assets Not Being Depreciated	8,142,151	7,320	—	8,149,471
Other Capital Assets				
Buildings	14,725,433	333,044	—	15,058,477
Equipment	2,462,865	162,690	27,933	2,597,622
Roads	15,801,919	—	—	15,801,919
Storm sewers	2,334,281	—	—	2,334,281
Sidewalks, curbs and gutters	1,440,448	—	—	1,440,448
Intersections	737,362	—	—	737,362
Street lights	1,092,679	—	—	1,092,679
Bridges	377,594	—	—	377,594
Vehicles	2,945,965	13,198	—	2,959,163
Parks	872,183	16,487	—	888,670
Street signs	59,343	—	—	59,343
Total Other Capital Assets	42,850,072	525,419	27,933	43,347,558
Total Cost	50,992,223	532,739	27,933	51,497,029
Accumulated Depreciation				
Buildings	10,209,404	519,350	—	10,728,754
Equipment	2,210,440	93,803	27,933	2,276,310
Roads	14,274,606	121,406	—	14,396,012
Storm sewers	1,400,842	66,964	—	1,467,806
Sidewalks, curbs and gutters	1,284,569	72,023	—	1,356,592
Intersections	736,572	—	—	736,572
Street lights	949,613	—	—	949,613
Bridges	241,661	15,104	—	256,765
Vehicles	2,685,100	118,058	—	2,803,158
Parks	635,494	30,405	—	665,899
Street signs	59,341	—	—	59,341
Total Accumulated Depreciation	34,687,642	1,037,113	27,933	35,696,822
Governmental Activities				
Capital Assets, Net	\$ 16,304,581	\$ (504,374)	\$ —	\$ 15,800,207

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (Continued)

Governmental activities depreciation expenses were allocated as follows:

	<u>2019</u>
General government	\$ 65,338
Public safety	310,097
Streets	594,266
Culture and recreation	<u>67,412</u>
Total Governmental Activities Depreciation	<u><u>\$ 1,037,113</u></u>

Capital asset business-type activity for the year ended December 31, 2019 was as follows:

	<u>Balance December 31, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2019</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 973,015	\$ —	\$ —	\$ 973,015
Construction in progress	—	54,900	—	54,900
Water rights	1,658,254	—	—	1,658,254
Total Capital Assets Not Being Depreciated	<u>2,631,269</u>	<u>54,900</u>	<u>—</u>	<u>2,686,169</u>
Other Capital Assets				
Land improvements	12,271,155	—	—	12,271,155
Water system	13,560,139	16,287	—	13,576,426
Sewer system	2,382,547	—	—	2,382,547
Sewer plant	2,463,982	7,394	—	2,471,376
Equipment	1,534,183	74,190	—	1,608,373
Total Other Capital Assets	<u>32,212,006</u>	<u>97,871</u>	<u>—</u>	<u>32,309,877</u>
Total Capital Asset Cost	<u>34,843,275</u>	<u>152,771</u>	<u>—</u>	<u>34,996,046</u>
Accumulated Depreciation				
Land improvements	2,685,481	293,399	—	2,978,880
Water system	7,005,446	346,118	—	7,351,564
Sewer system	1,425,420	60,471	—	1,485,891
Sewer plant	907,460	38,249	—	945,709
Equipment	4,538,688	369,299	—	4,907,987
Total Accumulated Depreciation	<u>16,562,495</u>	<u>1,107,536</u>	<u>—</u>	<u>17,670,031</u>
Business-Type Activities Capital Asset	<u>\$ 17,192,378</u>	<u>\$ (954,765)</u>	<u>\$ —</u>	<u>\$ 17,326,015</u>

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

5. Long-Term Debt

The City reports long-term debt related to both business-type activities and governmental activities.

Business-Type Activities - USDA Note Payable

In 1997, the City signed a 40-year promissory note for \$508,000 at a 4.75% interest rate with the Department of Agriculture (USDA) for water-related improvements, primarily water meters. An additional \$92,000 was borrowed in 1998, increasing the loan to \$600,000. The note required annual payments totaling approximately \$34,000. The 1997 USDA revenue bonds were refunded during 2019, and the reserve requirement was eliminated.

Business-Type Activities - Water And Sewer Bonds

In 1992, the City issued the 1992 USDA Water Revenue Series Bonds in the amount of \$1,086,000 at a 5.50% interest rate, requiring semi-annual payments of approximately \$70,000. The 1992 USDA Water Revenue Series Bonds were refunded during 2019, and the reserve requirement was eliminated.

Business-Type Activities - Water Revenue Refunding Bonds

In 2019, the City issued the Series 2019A Water Revenue Refunding Bonds in the amount of \$1,050,000 at an interest rate ranging from 2.00 - 3.50%. The bonds require semi-annual payments. Annual debt service requirements to amortize water and sewer bonds outstanding as of December 31, 2019 follow:

2019A Series Water Refunding Bonds			
Year	Principal	Interest	Total
2020	\$ 65,000	\$ 30,152	\$ 95,152
2021	65,000	28,755	93,755
2022	65,000	27,357	92,357
2023	65,000	25,960	90,960
2024	65,000	24,562	89,562
2025 - 2029	370,000	93,975	463,975
2030 - 2033	315,000	26,775	341,775
Total	\$ 1,010,000	\$ 257,536	\$ 1,267,536

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (Continued)

Pledged Revenue And Debt Coverage Requirements

The City has issued revenue bonds to fund capital projects and infrastructure of its water and sewer system, which has pledged “net revenue” (all income and revenues directly or indirectly derived by the City less operation and maintenance expenses) toward the repayment of the revenue bonds noted above. Revenues are pledged until the bonds are paid off in full or refunded in full. Pledged net revenues recognized for the year ended December 31, 2019 were \$213,611. Debt service payments for the year ended December 31, 2019 were \$40,000.

Changes In Long-Term Liabilities

Changes in the City’s long-term obligations consisted of the following for the year ended December 31, 2019:

	Beginning December 31, 2018	Additions To Principal	Reductions To Principal	Ending December 31, 2019	Due In One Year
Governmental Activities					
Compensated absences	\$ 166,245	\$ 2,994	\$ —	\$ 169,239	\$ 33,249
Total Governmental Activities	\$ 166,245	\$ 2,994	\$ —	\$ 169,239	\$ 33,249
	Ending December 31, 2018	Additions To Principal	Reductions To Principal	Ending December 31, 2019	Due In One Year
Business-Type Activities					
Water revenue bonds - 1992 (FmHA)	\$ 664,169	\$ —	\$ 664,169	\$ —	\$ —
USDA notes - 1997 (USDA)	431,400	—	431,400	—	—
Water revenue refunding bonds 2019A	—	1,050,000	40,000	1,010,000	60,000
Premium on bond	—	29,367	1,350	28,017	—
Compensated absences	30,917	—	6,457	24,460	4,892
Total Business-Type Activities	\$ 1,169,550	\$ 1,079,367	\$ 1,143,376	\$ 1,062,477	\$ 64,892

Principal and interest payments related to the water revenue refunding bonds will be paid by the enterprise fund.

The compensated absences liability will be paid from the fund from which the employees’ salaries are paid.

6. Defined Contribution Pension Plan

General Employees Retirement

City employees are covered under a 401(a) defined contribution plan maintained and administered through Colorado County Officials and Employees Retirement Association (CCOERA). The plan is established and amended under Colorado State Statute. Under the terms of the defined contribution plan, participants are required to contribute 8% of annual compensation with a matching amount from the City. Vesting begins immediately upon participation with 100% vesting occurring after 5 years of credited service or age 62, whichever is earlier. Defined contribution plans are not required to have actuarial valuations performed. The contributions made by the City totaled \$238,704, and the employees contributed an equal amount. In addition, employees can contribute additional funds into CCOERA's 457 plan.

Police Department Employees Retirement

The City's Police Department participates in the CCOERA plan and contributes to Social Security and Medicare monthly. Police Department employees are not able to participate in the State of Colorado's Fire and Police Pension Association (FPPA) because they were enrolled in Social Security and did not elect to become members of FPPA in 1982.

7. FPPA Statewide Cost-Sharing Defined Benefit Pension Plan

FPPA SWDBP Plan Description

Eligible employees of the City are provided with pensions through SWDBP, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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 are established 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.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Members of SWDBP and their employers are contributing at the rate of 10% and 8%, respectively, of base salary for a total contribution rate of 18% in 2018. In 2014, the members elected to increase the member contribution rate to SWDBP beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8.0%, resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers or departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22% of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4% contribution. Per the 2014 member election, the re-entry group could also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022, for a total combined member and employer contribution rate of 24% in 2022.

The contribution rate for members and employers of affiliated Social Security employers is 5% and 4%, respectively, of base salary for a total contribution rate of 9% in 2018. Per the 2014 member election, members of the affiliate Social Security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

Employer contributions are recognized by SWDBP in the period in which the compensation becomes payable to the member, and the City is statutorily committed to pay the contributions to SWDBP. Employer contributions recognized by SWDBP from the City were \$61,185 for the year ended December 31, 2019.

Pension Liability, Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

At December 31, 2019, the City reported a net pension liability of \$142,084 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2018, and the total pension liability was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension liability was based on City contributions to SWDBP for the calendar year 2018 relative to the total contributions of participating employers.

At December 31 2018, the City's portion was 0.1124%, which was a decrease of 0.0122% from its portion measured as of December 31, 2017.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (Continued)

For the year ended December 31, 2019, the City recognized pension expense of \$23,247. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities
Deferred Outflows Of Resources	
Changes of assumptions	\$ 137,604
Net difference between projected and actual earnings on pension plan investments	111,771
Changes in proportion and differences between contributions and proportionate share of contributions	48,802
Differences between actual and expected experience	182,566
Contributions subsequent to measurement date	61,185
Total Deferred Outflows Of Resources	\$ 541,928
Deferred Inflows Of Resources	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 5,888
Differences between expected and actual experience	1,518
Total Deferred Inflows Of Resources	\$ 7,406

The amount of \$61,185 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For The Year Ended December 31,	
2020	\$ 87,060
2021	63,728
2022	55,074
2023	87,580
2024	45,418
Thereafter	134,477
Total	\$ 473,337

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Actuarial Assumptions

The actuarial valuations for SWDBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumption and other inputs:

	<u>Actuarial Assumptions</u>
Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level % Payroll, Open
Remaining amortization period	30 Years
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases*	4.0% - 14.0%
Cost of living adjustments	0.0%
 * Includes inflation at:	 2.5%

Effective January 1, 2019, the post-retirement mortality tables for nondisabled retirees uses the 2006 central rate from the Annuitant and Employee RP-2014 generational Mortality Tables with Blue Collar Adjustment projected using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.015%. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational Mortality Tables for Disabled Annuitants, except an additional provision to apply a minimum 3% mortality probability to males and a 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty Mortality Tables are adjusted to 55% of the RP-2014 Mortality tables for active employees. The on-duty mortality rate is 0.02%.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Global equity	37.00%	8.03%
Equity long/short	9.00%	6.45%
Illiquid alternatives	24.00%	10.00%
Fixed income	15.00%	2.90%
Absolute return	9.00%	5.08%
Managed futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA's Board of Directors' funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDBP 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.

Discount Rate

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

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

For the purpose of the valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.00% based upon the plan's fiduciary net position projected to be sufficient to pay benefits.

Sensitivity Of The City's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability (asset) to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset) \$	\$ 550,986	\$ 142,084	\$ (197,092)

Pension Plan Fiduciary Net Position

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

8. Defined Contribution Other Post-Employment Benefit Plan

FPPA Statewide Death And Disability Plan

Plan Description - The City's full-time firefighters participate in FPPA's Statewide Death And Disability Plan (the Plan), a cost-sharing, multi-employer defined benefit death and disability plan.

Contributions to the Plan are used solely for the payment of death and disability benefits. The Plan was established in 1980 pursuant to Colorado Revised Statutes and can be amended through such statutes.

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (*Continued*)

Contributions - Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado Statute. The state made a one-time contribution in 1997 of \$39,000,000 to fund the past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further state contributions are anticipated. Members hired on or after January 1, 1997 contribute a percentage of the payroll based on actuarial experience. This represented 2.8% for 2019, and 2.0% for 2018 and 2017, respectively. The City contributed \$21,415, \$19,630 and \$19,740 to the Plan during 2019, 2018 and 2017, respectively.

Benefits - If a member dies prior to retirement, the surviving spouse is entitled to a benefit equal to 40% of the member's monthly base salary. Dependent children are also entitled to benefits according to an established scale. Benefit entitlement continues until death or remarriage of the spouse and death, marriage or other termination of dependency of children.

A member who becomes disabled prior to retirement shall be eligible for disability benefits. The benefit is 70% of base salary for cases of total disability and 50% for cases of occupational disability, reduced by the amount of certain other benefits received.

Benefits paid to members are evaluated and may be redetermined on October 1 of each year. Any increase in the level of benefits cannot exceed the lesser of the increase in the Consumer Price Index or 3%.

9. Net Position And Fund Balance

The net investment in capital assets on the government-wide statement of net position as of December 31, 2019 was computed as follows:

	Governmental Activities	Business- Type Activities
Net investment in capital assets:		
Cost of capital assets	\$ 51,497,029	\$ 34,996,046
Less: Accumulated depreciation	35,696,822	17,670,031
Book value	15,800,207	17,326,015
Less: Capital-related debt amounts	—	1,026,913
Net Investment In Capital Assets	\$ 15,800,207	\$ 16,299,102

CITY OF CRIPPLE CREEK, COLORADO

Notes To Basic Financial Statements (Continued)

The table below delineates the City's December 31, 2019 ending fund balances for the governmental funds:

Fund Balances	General Fund	Historic Preservation Fund	Total
Restricted:			
Emergencies	\$ 231,068	\$ —	\$ 231,068
Historic preservation	—	2,376,098	2,376,098
Unassigned	3,445,204	—	3,445,204
Total Fund Balance	\$ 3,676,272	\$ 2,376,098	\$ 6,052,370

10. Risk Management

The City is exposed to various risks of loss related to employees while on the job, property and casualty losses. The City has purchased commercial insurance with various levels of deductibles to cover these losses. Claims have not exceeded coverage in any of the past three years.

11. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

As of December 31, 2019, there were a number of pending claims and lawsuits involving the City. The outcome of these matters is currently unknown; however, the City's legal counsel has reviewed all such litigation and claims and is of the opinion that any outstanding claims not covered by insurance would not materially affect the City's financial position.

12. Tax, Spending And Debt Limitations

Colorado voters passed an Amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of the state and local governments. The City, through the election process, has exempted certain revenues, not including property tax revenue, from TABOR. TABOR is complex and subject to judicial interpretation. The City recorded \$231,068 for emergency reserves in the General Fund, which it believes maintains compliance with TABOR.

13. Economic Dependency

The City derives a large percentage of its revenues from gaming tax and device fees. The financial position of the City would be significantly different without those revenues.

14. Interfund Transactions

The Historic Preservation Fund made a transfer to the General Fund of \$100,000, which will not be paid back. The \$100,000 was used for marketing.

15. Subsequent Events

In March 2020, the City identified and saw a rapid spread of a novel coronavirus (COVID-19) throughout its local area and throughout the State of Colorado. A Stay At Home order was issued by the State of Colorado required that all nonessential business cease operations and close for a period of time in an attempt to slow the spread of COVID-19. The City is expecting to see a decrease in revenues as a result of the Stay At Home order, especially those revenues related to gaming taxes and device fees, as casinos were determined to be nonessential businesses and were closed for an extended period of time as a result of the Stay At Home order. The degree of the impact is difficult to predict at this time and will depend on future developments, which are uncertain. The State of Colorado Stay At Home order was followed by a Safer At Home order, which is allowing the state to open back up slowly throughout the spring of 2020. Once businesses reopen and employees return to work completely, business activity should return to normal levels.

Required Supplementary Information
(Unaudited)

CITY OF CRIPPLE CREEK, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For The Year Ended December 31, 2019

	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property tax	\$ 131,238	\$ 130,617	\$ (621)
Sales tax	610,000	728,356	118,356
Lodging taxes	230,000	237,359	7,359
Gaming taxes	1,748,155	1,754,574	6,419
Other taxes	18,700	23,588	4,888
Device fees	3,651,160	3,600,441	(50,719)
Intergovernmental	693,486	636,867	(56,619)
Licenses and permits	117,300	184,752	67,452
Charges for service	294,601	272,232	(22,369)
Fines and forfeitures	14,000	13,973	(27)
Investment earnings	40,000	67,864	27,864
Rental income	22,600	23,027	427
Ticket and retail sales	800	677	(123)
Miscellaneous	211,925	362,136	150,211
Total Revenues	7,783,965	8,036,463	252,498
Expenditures			
General government	3,618,039	3,455,271	162,768
Public safety	3,379,694	3,189,863	189,831
Streets	333,242	336,204	(2,962)
Culture and recreation	538,229	531,797	6,432
Capital outlay	181,073	464,826	(283,753)
Debt service:			
Interest and fiscal charges	—	143	(143)
Total Expenditures	8,050,277	7,978,104	72,173
Other Financing Sources/Uses			
Transfers in	100,000	100,000	—
Net Changes In Fund Balance	\$ (166,312)	169,309	\$ 335,621
Fund Balance, Beginning Of Year		3,506,963	
Fund Balance, End Of Year		\$ 3,676,272	

CITY OF CRIPPLE CREEK, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - HISTORIC PRESERVATION FUND For The Year Ended December 31, 2019

	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Gaming taxes	\$ 887,166	\$ 882,947	\$ (4,219)
Investment earnings	32,000	43,122	11,122
Rental income	205,000	200,000	(5,000)
Operating grants, contributions and interest	8,200	8,805	605
Ticket and retail sales	35,000	50,575	15,575
Miscellaneous	11,800	15,355	3,555
Total Revenues	1,179,166	1,200,804	21,638
Expenditures			
General government	496,831	460,153	36,678
Culture and recreation	521,494	467,259	54,235
Capital outlay	5,000	5,000	—
Total Expenditures	1,023,325	932,412	90,913
Other Financing Uses			
Transfer out	(100,000)	(100,000)	—
Other Financing Uses	(100,000)	(100,000)	—
Net Changes In Fund Balance	\$ 55,841	168,392	\$ 112,551
Fund Balance, Beginning Of Year		2,207,706	
Fund Balance, End Of Year		\$ 2,376,098	

CITY OF CRIPPLE CREEK, COLORADO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) For The Year Ended December 31, (Measurement Date) Employee Pension Plan Year Five⁽¹⁾

	2018	2017	2016	2015	2014
City's portion of the net pension asset (liability)	0.1124%	0.1246%	0.1336%	0.1504%	0.1423%
City's proportionate share of the net pension asset (liability)	\$ (142,084)	\$ 179,273	\$ (48,279)	\$ 2,651	\$ 160,592
City's employee payroll	\$ 677,421	\$ 731,112	\$ 709,191	\$ 729,600	\$ 710,738
City's proportionate share of the net pension asset (liability) as a percentage of its payroll	-20.97%	24.52%	-6.81%	0.36%	22.60%
Plan fiduciary net position as a percentage of the total pension asset (liability)	95.20%	106.30%	98.21%	100.10%	106.80%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years for which information is available.

CITY OF CRIPPLE CREEK, COLORADO

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
TO THE PENSION PLAN
For The Year Ended December 31,
Employee Pension Plan
Year Five⁽¹⁾**

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 61,185	\$ 54,194	\$ 58,489	\$ 56,735	\$ 58,368
Contributions in relation to the contractually required contribution	61,185	58,016	58,489	56,735	58,368
Contribution Deficiency (Excess)	\$ —	\$ (3,822)	\$ —	\$ —	\$ —
City's employee payroll	\$ 764,813	\$ 677,421	\$ 731,112	\$ 709,191	\$ 729,600
Contributions as a percentage of covered-employee payroll	8.00%	8.56%	8.00%	8.00%	8.00%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for those years for which information is available.

CITY OF CRIPPLE CREEK, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

1. **Budgetary Information**

Budgets for major governmental funds are adopted on the modified accrual basis where capital outlays are treated as expenditures and depreciation is not budgeted. Proceeds from debt financing and the sale of general fixed assets are accounted for as other financing sources. In addition, debt service principal payments are included as expenditures in the budget. The operating budget includes proposed expenditures and the means of financing them. The City Council must approve transfers between funds or increases to a fund's budget.

2. **Expenditures/Expenses In Excess Of Appropriation**

Colorado's budget law requires that expenditures and transfers for a department or fund cannot exceed the appropriations for that department or fund. Appropriations for a department or fund may be increased, provided unanticipated resources offset them.

The budget is controlled at the category line item level within each division within each fund. However, the legal level of appropriation is at the fund level. If the division expenditures exceed the division budget by more than \$500, then the expenditures are deemed to be in excess of the appropriations.

Supplementary Information

CITY OF CRIPPLE CREEK, COLORADO
COMPARATIVE BALANCE SHEET - GENERAL FUND
December 31, 2019
(With Comparative Financial Information
As Of December 31, 2018)

Assets	2019	2018
Cash and cash equivalents	\$ 358,513	\$ 264,956
Investments	3,395,465	2,877,601
Receivables:		
Accounts	212,290	505,825
Property taxes	131,936	146,930
Total Assets	\$ 4,098,204	\$ 3,795,312
Liabilities, Deferred Inflows Of Resources And Fund Balance		
Liabilities		
Accounts payable	\$ 228,887	\$ 102,526
Accrued expenditures	61,109	55,585
Total Liabilities	289,996	158,111
Deferred Inflows Of Resources		
Property tax revenue	131,936	130,238
Fund Balance		
Restricted	231,068	215,474
Unassigned	3,445,204	3,291,489
Total Fund Balance	3,676,272	3,506,963
Total Liabilities, Deferred Inflows Of Resources		
And Fund Balance	\$ 4,098,204	\$ 3,795,312

CITY OF CRIPPLE CREEK, COLORADO

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

For The Years Ended December 31, 2019
(With Comparative Financial Information
For The Year Ended December 31, 2018)

	2019	2018
Revenues		
Property tax	\$ 130,617	\$ 127,202
Sales tax	728,356	607,841
Lodging tax	237,359	239,248
Gaming taxes	1,754,574	1,702,590
Other taxes	23,588	26,989
Device fees	3,600,441	3,635,368
Intergovernmental	636,867	663,284
Licenses and permits	184,752	121,942
Charges for service	272,232	319,560
Fines and forfeitures	13,973	12,681
Investment earnings	67,864	44,735
Rental income	23,027	21,502
Ticket and retail sales	677	742
Miscellaneous	362,136	260,368
Total Revenues	8,036,463	7,784,052
Expenditures		
General government	3,455,271	3,257,479
Public safety	3,189,863	3,171,472
Streets	336,204	337,888
Culture and recreation	531,797	531,885
Capital outlay	464,826	167,838
Debt service:		
Principal retirements	—	101,744
Interest and fiscal charges	143	1,757
Total Expenditures	7,978,104	7,570,063
Deficiency Of Revenues Under Expenditures	58,359	213,989
Other Financing Sources		
Transfers in	100,000	100,000
Proceeds from sale of asset	10,950	—
Other Financing Sources	110,950	100,000
Net Changes In Fund Balance	169,309	313,989
Fund Balance, Beginning Of Year	3,506,963	3,192,974
Fund Balance, End Of Year	\$ 3,676,272	\$ 3,506,963

CITY OF CRIPPLE CREEK, COLORADO

COMPARATIVE BALANCE SHEET - HISTORIC PRESERVATION FUND

December 31, 2019

(With Comparative Financial Information

As Of December 31, 2018)

Assets

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 188,625	\$ 237,361
Investments	2,212,497	1,979,375
Receivables:		
Accounts	3,113	900
Total Assets	\$ 2,404,235	\$ 2,217,636

Liabilities And Fund Balance

Liabilities		
Accounts payable	\$ 26,033	\$ 8,102
Accrued expenditures	2,104	1,828
Total Liabilities	28,137	9,930
Fund Balance		
Restricted	2,376,098	2,207,706
Total Liabilities And Fund Balance	\$ 2,404,235	\$ 2,217,636

CITY OF CRIPPLE CREEK, COLORADO

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HISTORIC PRESERVATION FUND

**For The Years Ended December 31, 2019
(With Comparative Financial Information
For The Year Ended December 31, 2018)**

	<u>2019</u>	<u>2018</u>
Revenues		
Gaming taxes	\$ 882,947	\$ 865,528
Investment earnings	43,122	35,037
Rental income	200,000	200,000
Operating grants, contributions and interest	8,805	8,397
Ticket and retail sales	50,575	40,519
Miscellaneous	15,355	20,039
Total Revenues	1,200,804	1,169,520
Expenditures		
General government	460,153	435,743
Culture and recreation	467,259	453,688
Capital outlay	5,000	10,230
Total Expenditures	932,412	899,661
Excess Of Revenues Over Expenditures	268,392	269,859
Other Financing Uses		
Transfers out	(100,000)	(100,000)
Net Changes In Fund Balance	168,392	169,859
Fund Balance, Beginning Of Year	2,207,706	2,037,847
Fund Balance, End Of Year	\$ 2,376,098	\$ 2,207,706

CITY OF CRIPPLE CREEK, COLORADO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - WATER AND SEWER FUND

For The Year Ended December 31, 2019
(With Comparative Financial Information
For The Year Ended December 31, 2018)

	Original And Final Budget	Actual	Variance Favorable (Unfavorable)	2018 Actual
Revenues				
Charges for service	\$ 1,047,731	\$ 997,557	\$ (50,174)	\$ 957,932
Device fees (security for debt)	405,240	405,211	(29)	399,982
Gain on sale of assets	—	320	320	—
Tap fees	30,000	12,000	12,000	6,000
Intergovernmental	500,000	—	(500,000)	—
Other income	38,600	43,279	4,679	44,520
Investment earnings	20,000	23,968	3,968	21,188
Total Revenues	2,041,571	1,482,335	(529,236)	1,429,622
Expenditures				
Professional services	103,179	86,089	17,090	97,748
Supplies	35,625	23,252	12,373	33,902
Personnel services	706,777	697,375	9,402	712,876
Maintenance and repairs	216,840	178,561	38,279	191,568
Utilities and telephone	178,300	187,943	(9,643)	174,698
Other/miscellaneous	107,715	70,401	37,314	76,721
Capital outlay	936,000	74,190	861,810	22,535
Debt refunding costs	50,000	40,104	(40,104)	—
Debt service	104,445	111,273	(6,828)	104,028
Total Expenditures	2,438,881	1,469,188	919,693	1,414,076
Change In Net Position	\$ (397,310)	\$ 13,147	\$ 390,457	\$ 15,546
Reconciliation To GAAP Basis				
Add:				
Capital outlay		74,190		22,535
Principal retirement		84,700		42,900
Subtract:				
Depreciation		(1,107,536)		(1,110,937)
Change In Net Position		(935,499)		(1,029,956)
Net Position, Beginning Of Year		18,529,010		19,558,966
Net Position, End Of Year		\$ 17,593,511		\$ 18,529,010

Special Reports Section

CITY OF CRIPPLE CREEK, COLORADO

LOCAL HIGHWAY FINANCE REPORT

Financial Planning 02/01
Form # 350-050-36

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Cripple Creek			
		YEAR ENDING: December 2019			
This Information From The Records Of The City Of Cripple Creek:		Prepared By:	Paul Harris, Finance Director		
		Phone:	(719)689-2502		
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	7,320		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	110,814		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	3,520		
2. General fund appropriations	166,312	b. Snow and ice removal	40,087		
3. Other local imposts (from page 2)	873,590	c. Other	5,485		
4. Miscellaneous local receipts (from page 2)	13,973	d. Total (a. through c.)	49,092		
5. Transfers from toll facilities		4. General administration & miscellaneous	181,832		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	305,970		
a. Bonds - Original Issues		6. Total (1 through 5)	655,028		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	-	a. Interest			
7. Total (1 through 6)	1,053,875	b. Redemption			
B. Private Contributions	-	c. Total (a. + b.)	-		
C. Receipts from State government (from page 2)	77,408	2. Notes:			
D. Receipts from Federal Government (from page 2)	-	a. Interest			
E. Total receipts (A.7 + B + C + D)	1,131,283	b. Redemption			
		c. Total (a. + b.)	-		
		3. Total (1.c + 2.c)	-		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	655,028		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)				-	
1. Bonds (Refunding Portion)					
B. Notes (Total)				-	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursement	D. Ending Balance	E. Reconciliation
	921,190	1,131,283	655,028	1,397,445	-
Notes and Comments:					

CITY OF CRIPPLE CREEK, COLORADO

LOCAL HIGHWAY FINANCE REPORT

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	129,566	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	13,973
1. Sales Taxes	728,356	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	15,668	g. Other Misc. Receipts	
6. Total (1. through 5.)	744,024	h. Other	
c. Total (a. + b.)	873,590	i. Total (a. through h.)	13,973
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	69,488	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	7,920	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	-	e. U.S. Corps of Engineers	
e. Other (Specify) CDOT Grant	-	f. Other Federal	
f. Total (a. through e.)	7,920	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	77,408	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.I. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		7,320	7,320
c. Construction:			
(1). New Facilities		-	-
(2). Capacity Improvements		-	-
(3). System Preservation		-	-
(4). System Enhancement & Operation		-	-
(5). Total Construction (1) + (2) + (3) + (4)		-	-
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		7,320	7,320
			(Carry forward to page 1)
Notes and Comments:			
<p>In 2019, the City most of the city's engineering expense was on a Bennett Ave. grant.</p>			