

**City of Leadville, Colorado  
Financial Statements  
December 31, 2019**



**City of Leadville, Colorado  
Financial Statements  
December 31, 2019**

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**City of Leadville, Colorado  
Financial Statements  
December 31, 2019**

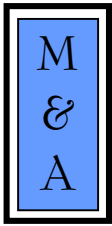
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# MCMAHAN AND ASSOCIATES, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT

### To the Mayor and City Council City of Leadville, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Leadville, 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Leadville, Colorado as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

*Member: American Institute of Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT**  
**To the Mayor and City Council**  
**City of Leadville, Colorado**

**Other Matters**

U. S. generally accepted accounting principles require that the Management's Discussion and Analysis in Section B and the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of Changes in Net Pension Asset/Liability, and the Schedules of City Contributions in Section E, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in Section B and the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of Changes in Net Pension Asset/Liability, and the Schedules of City Contributions in Section E in accordance with U.S. generally accepted auditing standards, 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.

The budgetary comparison schedules in section E are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The *Local Highway Finance Report* listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The *Local Highway Finance Report* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**September 15, 2020**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# City of Leadville, Colorado

## Management's Discussion and Analysis

### December 31, 2019

As management of the City of Leadville, Colorado, (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

#### Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all City assets and liabilities (both short-term and long-term), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The Statement of Activities focuses on long-term economic resources and is reported on a full accrual basis.

The Statement of Activities identifies functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, judicial (court), public works (streets and maintenance), and parks and recreation.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Leadville Urban Renewal Authority (the "LURA"). The LURA is reported as a blended component unit of the City (as a special revenue fund).

The government-wide financial statements can be found on pages C1 and C2 of this report.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided on pages C4 and C6 to facilitate this comparison between governmental funds and governmental activities.

## Overview of the Financial Statements (continued)

**Fund Financial Statements (continued):** The City maintains three individual governmental funds, all of which are considered to be major funds. Information is presented separately for each fund in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. Basic governmental fund financial statements can be found on pages C3 and C5 of this report.

The City adopts annual appropriated budgets for all governmental funds. A budgetary comparison schedule has been provided for the General, Conservation Trust, Fire Operations Funds, and the Leadville Urban Renewal Authority, a blended component unit, to demonstrate compliance with State budget statutes. These budgetary comparison schedules are found in section E of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

### Government-wide Financial Analysis:

The following chart shows the City's assets, liabilities, and net position at December 31, 2019 and 2018:

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<b>Assets:</b>		
Current and other assets	\$ 3,039,628	\$ 2,763,060
Capital assets, net	2,438,396	2,526,153
<b>Total Assets</b>	<b>5,478,024</b>	<b>5,289,213</b>
<b>Deferred Outflows of Resources:</b>		
Pension related deferred outflows	650,932	299,012
<b>Total Deferred Outflows of Resources</b>	<b>650,932</b>	<b>299,012</b>
<b>Liabilities:</b>		
Other liabilities	444,198	654,221
Long-term liabilities	572,320	512,490
<b>Total Liabilities</b>	<b>1,016,518</b>	<b>1,166,711</b>
<b>Deferred Inflows of Resources:</b>		
Pension related deferred inflows	23,540	103,997
Unavailable revenue	715,892	516,390
<b>Total Deferred Inflows of Resources</b>	<b>739,432</b>	<b>620,387</b>
<b>Net Position:</b>		
Net investment in capital assets	2,142,744	2,099,824
Restricted	158,450	87,000
Unrestricted	2,071,812	1,614,303
<b>Total Net Position</b>	<b>\$ 4,373,006</b>	<b>\$ 3,801,127</b>

Total assets of the City increased \$188,811 during the past year. Cash and investments increased \$337,250 during the past year and corresponds to the change in fund balance offset by the increase in receivables and the decrease in non-pension liabilities. Capital assets decreased by \$87,757 during the past year. This net decrease in capital assets approximates capital additions of \$225,646 less disposals of \$44,454 and depreciation of \$296,586. Capital asset additions during the past year were related primarily to the purchase of equipment and vehicles for the police and fire departments.



## Government-wide Financial Analysis: (continued)

Total liabilities of the City decreased \$150,193 from the previous year. This decrease is related to a decrease is primarily attributed to principal payments on long-term debt.

Long-term liabilities are comprised of accrued compensated absences, net pension liability for the City's defined benefit pension plans and capital leases. Accrued compensated absences increased \$5,502 between 2018 and 2019. Another change to liabilities is the net pension liability which increased \$375,219.

Approximately 49% of the City's net position reflects its investment in capital assets (i.e. land, infrastructure, buildings, vehicles, and equipment less accumulated depreciation and related debt), representing a 2% increase from 2018. The City uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position of \$2,230,262, \$99,000 and \$59,450 has been restricted for emergencies and recreation, respectively. The remaining balance of \$2,071,812 may be used to meet the City's ongoing obligations relating to its operations.

Consistent with the prior year, the City is able to report positive balances in all three categories of net position.

The following chart summarizes financial information relating to the City's Statement of Activities:

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 332,073	\$ 437,057
Operating grants and contributions	1,351,210	1,257,339
Capital grants and contributions	-	30,000
General revenues:		
Property taxes	517,858	400,015
Sales taxes	1,908,881	1,540,224
Other taxes	375,687	228,449
Gain on disposal of capital assets	31,883	-
Interest and other revenue	71,456	29,784
<b>Total Revenues</b>	<u>4,589,048</u>	<u>3,922,868</u>
<b>Expenses:</b>		
General government	931,761	925,201
Cultural enhancement	20,029	20,030
Judicial	40,507	26,720
Parks and recreation	26,740	41,451
Public safety	2,368,949	2,270,436
Public works	629,183	560,640
<b>Total Expenses</b>	<u>4,017,169</u>	<u>3,844,478</u>
<b>Change in Net Position</b>	571,879	78,390
<b>Net Position - Beginning</b>	3,801,127	3,722,737
<b>Net Position - Ending</b>	<u>\$ 4,373,006</u>	<u>\$ 3,801,127</u>

## Government-wide Financial Analysis: (continued)

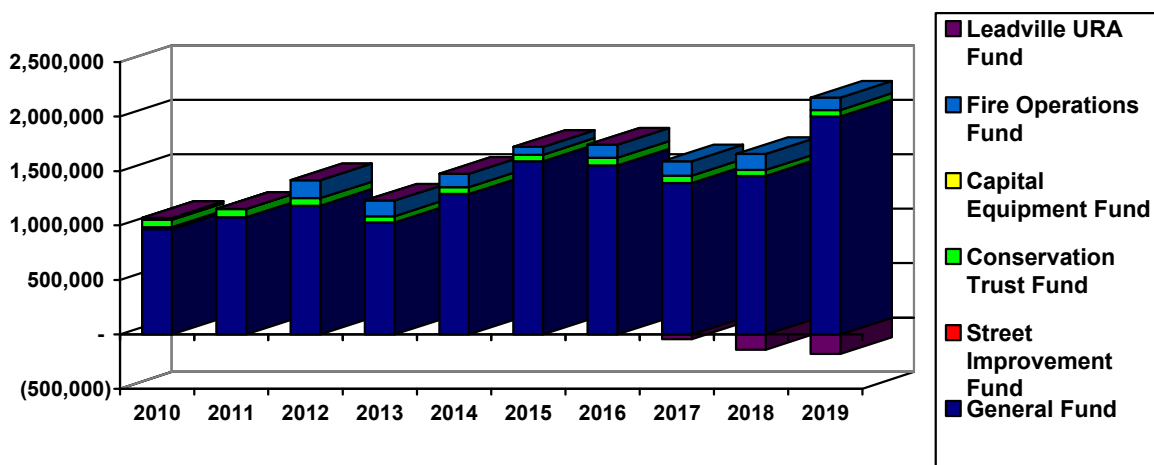
The City's net position increased \$571,879 during 2019. Key elements of the change in net position are as follows:

- Sales tax and property tax revenues increased \$368,657 and \$117,843, respectively due to favorable economic conditions.
- Operating grants and contributions increased \$93,871 due to increases in county fire protection grant revenues and SAFER grant revenues.
- Overall expense increased \$172,691.

## Financial Analysis of the City's Funds

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

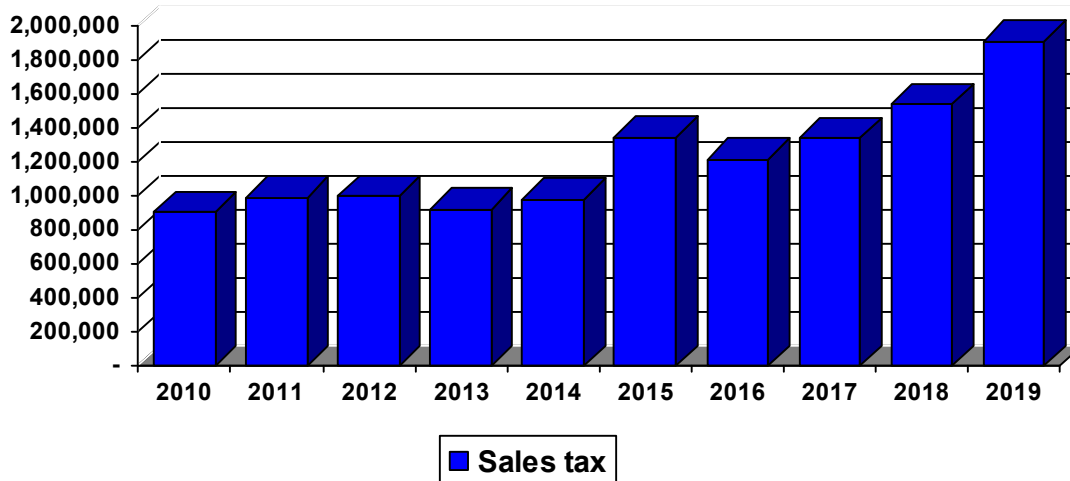
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,995,064, an increase of \$477,303 from the prior year ending fund balances. Unassigned balances at December 31, 2019 were equal to 41% of aggregate 2019 expenditures, which represents a 11% increase from the percentage reported for 2018. Aggregate City fund balances for the past ten years are presented in graph below. Note in 2011 the Capital Equipment and Street Improvement Funds were closed into the General Fund due to reporting requirements.



**Sales Tax:** The City's main funding source is sales tax. An increase in sales tax from 2018 of \$368,657 was primarily due to an improved economic year.

## Financial Analysis of the City's Funds (continued)

**Sales Tax:** The City's main funding source is sales tax. An increase in sales tax from 2018 of \$368,657 was primarily due to an improved economic year. The following chart indicates changes in the sales taxes.



**Budget Variances in the General Fund:** As mentioned on page B2 of this analysis, the City uses fund accounting to ensure and demonstrate compliance with State budget statutes. Significant variances between final budget and actual amounts for the General Fund were as follows:

Account	Variance Positive (Negative)	Reason
<b>Revenues:</b>		
Sales tax	530,284	Tourism activity higher than anticipated.
Other taxes	99,993	Marijuana taxes growth higher than expected.
<b>Expenditures:</b>		
General government - general operating	1,284,025	Conservative spending and budgeting
Public works	(45,910)	Spring snow removal and repairs and maintenance work

### Capital Assets and Debt Administration

**Capital Assets:** The City's capital assets decreased by approximately \$87,757 during the past fiscal year. Additional information as well as a detailed classification of the City's capital assets can be found in the Notes to the Financial Statements in section D of this report.

**Long-term Debts:** The City's long-term debt obligations increased \$59,830 from December 31, 2018, excluding the changes in balances due within one year. This change is detailed by a decrease of the net pension liability of approximately \$375,219, an increase in accrued compensated absences of approximately \$5,502. Additional information can be found in the Notes to the Financial Statements on section D of this report.

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

The City's General Fund balance at the end of the current fiscal year was \$2,001,108. The City's 2020 General Fund budget does not anticipate use of beginning fund balance.

During 2020, the spread of COVID-19 may have operational, economic and financial impacts on the City. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

### **Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Leadville, City Treasurer, 800 Harrison Avenue, Leadville, Colorado 80461.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**City of Leadville, Colorado**  
**Statement of Net Position**  
**Governmental Activities**  
**December 31, 2019**

**Assets:**

Cash and Cash Equivalents:	
Unrestricted	1,563,951
Restricted	356,244
Receivables, net:	
Property taxes	715,892
Other	24,962
Intergovernmental	378,579
Capital Assets, not being depreciated	273,713
Depreciable capital assets, net	<u>2,164,683</u>
<b>Total Assets</b>	<u><u>5,478,024</u></u>

**Deferred Outflows of Resources:**

Pension related deferred outflows:	
Cost share plan - Fire	402,429
Cost share plan - Police	227,020
Agent plan - Fire "Old Hire"	<u>21,483</u>
<b>Total Deferred Outflows of Resources</b>	<u><u>650,932</u></u>

**Liabilities:**

Accounts payable	92,033
Accrued payroll	60,251
Accrued expenses	13,206
Unearned grant revenue:	159,769
Deposits	3,413
Accrued compensated absences:	
Due in more than one year	98,031
Debt payable:	
Due within one year	115,526
Due in more than one year	180,126
Net Pension Liability:	
Due in more than one year	
Cost share plan - Fire	103,361
Cost share plan - Police	57,578
Agent plan - Fire "Old Hire"	<u>133,224</u>
<b>Total Liabilities</b>	<u><u>1,016,518</u></u>

**Deferred Inflows of Resources:**

Pension related deferred inflows:	
Cost share plan - Fire	18,111
Cost share plan - Police	5,429
Unavailable property tax revenue	<u>715,892</u>
<b>Total Deferred Inflows of Resources</b>	<u><u>739,432</u></u>

**Net Position:**

Net investment in capital assets	2,142,744
Restricted for emergencies	99,000
Restricted for recreation	59,450
Unrestricted	<u>2,071,812</u>
<b>Total Net Position</b>	<u><u><u>4,373,006</u></u></u>

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

**City of Leadville, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Change in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Governmental activities:					
General government	931,761	153,293	63,075	-	(715,393)
Cultural enhancement	20,029	-	66,243	-	46,214
Judicial	40,507	5,900	-	-	(34,607)
Parks and recreation	26,740	-	31,722	-	4,982
Public safety	2,368,949	154,880	1,022,587	-	(1,191,482)
Public works	629,183	18,000	167,583	-	(443,600)
<b>Total Governmental Activities</b>	<b>4,017,169</b>	<b>332,073</b>	<b>1,351,210</b>	<b>-</b>	<b>(2,333,886)</b>
<b>General Revenues:</b>					
					1,908,881
					517,858
					34,304
					137,502
					203,881
					11,380
					31,883
					60,076
					<b>2,905,765</b>
					<b>571,879</b>
					<b>3,801,127</b>
					<b>4,373,006</b>

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

FUND FINANCIAL STATEMENTS





**City of Leadville, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	<u>General</u>	<u>Conservation Trust</u>	<u>Fire Operations</u>	<u>Leadville Urban Renewal Authority</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Cash and Cash Equivalents:					
Unrestricted	1,504,405	59,546	-	-	1,563,951
Restricted	356,244	-	-	-	356,244
Property taxes assessed but not collectible until subsequent year	715,892	-	-	-	715,892
Other receivables	24,962	-	-	-	24,962
Due from other Governments	164,247	-	214,332	-	378,579
Due from other funds	204,441	-	-	-	204,441
<b>Total Assets</b>	<u>2,970,191</u>	<u>59,546</u>	<u>214,332</u>	<u>-</u>	<u>3,244,069</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	63,936	96	23,218	4,781	92,031
Accrued payroll	38,701	-	21,552	-	60,253
Accrued expenses	13,206	-	-	-	13,206
Due to other funds	-	-	30,085	174,356	204,441
Unearned grant revenue	133,935	-	25,834	-	159,769
Deposits	3,413	-	-	-	3,413
<b>Total Liabilities</b>	<u>253,191</u>	<u>96</u>	<u>100,689</u>	<u>179,137</u>	<u>533,113</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable property tax revenue	715,892	-	-	-	715,892
<b>Total Deferred Inflow of Resources</b>	<u>715,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,892</u>
<b>Fund Balances:</b>					
Restricted for:					
Emergencies	99,000	-	-	-	99,000
Recreation	-	59,450	-	-	59,450
Committed for:					
Capital equipment repair and replacement	-	-	(15,297)	-	(15,297)
Program and training costs	-	-	128,940	-	128,940
Assigned for:					
Tabor Opera House	20,000	-	-	-	20,000
Unassigned:	1,882,108	-	-	(179,137)	1,702,971
<b>Total Fund Balances</b>	<u>2,001,108</u>	<u>59,450</u>	<u>113,643</u>	<u>(179,137)</u>	<u>1,995,064</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>2,970,191</u>	<u>59,546</u>	<u>214,332</u>	<u>-</u>	<u>3,244,069</u>

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

**City of Leadville, Colorado**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2019**

<b>Governmental Funds Total Fund Balance</b>		1,995,064
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets - cost	6,418,130	
Less accumulated depreciation	<u>(3,979,734)</u>	2,438,396
Other long-term assets and deferred outflows of resources are not available for current period expenditures and, therefore, are not reported in the funds.		
Deferred Outflows of Resources:		
Cost Share Plan - Fire	402,429	
Cost Share Plan - Police	227,020	
Agent - Fire "Old Hire"	<u>26,177</u>	655,626
Long-term liabilities and deferred outflows are not due and payable in the current period, and therefore are not reported in the funds.		
Net Pension Liabilities:		
Cost Share Plan - Fire	(103,361)	
Cost Share Plan - Police	(57,578)	
Agent - Fire "Old Hire"	<u>(133,224)</u>	(294,163)
Deferred inflows of resources:		
Cost Share Plan - Fire	(18,111)	
Cost Share Plan - Police	(5,429)	
Agent - Fire "Old Hire"	<u>(4,694)</u>	(28,234)
Accrued compensated absences	(98,031)	
Debt payable	<u>(295,652)</u>	<u>(393,683)</u>
<b>Net Position of Governmental Activities</b>		<u><u>4,373,006</u></u>

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

**City of Leadville, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	<b>General</b>	<b>Conservation Trust</b>	<b>Fire Operations</b>	<b>Leadville Urban Renewal Authority</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Taxes	2,802,426	-	-	-	2,802,426
Licenses and permits	60,340	-	-	-	60,340
Intergovernmental revenue	359,710	31,722	955,205	-	1,346,637
Charges for services	117,552	-	82,919	-	200,471
Fines and forfeitures	49,137	-	-	-	49,137
Investment income	10,043	881	456	-	11,380
Donations and contributions	19,987	-	420	-	20,407
Other grants	2,166	-	-	-	2,166
Other income	64,201	-	-	-	64,201
<b>Total Revenues</b>	<b>3,485,562</b>	<b>32,603</b>	<b>1,039,000</b>	<b>-</b>	<b>4,557,165</b>
<b>Expenditures:</b>					
General government	888,101	-	-	38,857	926,958
Judicial	40,507	-	-	-	40,507
Parks and recreation	-	26,740	-	-	26,740
Public safety	906,153	-	1,346,701	-	2,252,854
Public works	491,087	-	-	-	491,087
Capital outlay	150,582	-	92,738	-	243,320
Debt Service:					
Principal	109,353	-	21,325	-	130,678
Interest	8,771	-	7,647	-	16,418
<b>Total Expenditures</b>	<b>2,594,554</b>	<b>26,740</b>	<b>1,468,411</b>	<b>38,857</b>	<b>4,128,562</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>891,008</b>	<b>5,863</b>	<b>(429,411)</b>	<b>(38,857)</b>	<b>428,603</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	345,855	-	345,855
Transfers (out)	(345,855)	-	-	-	(345,855)
Capital contributions	-	-	48,700	-	48,700
<b>Total Other Financing Sources (Uses)</b>	<b>(345,855)</b>	<b>-</b>	<b>394,555</b>	<b>-</b>	<b>48,700</b>
<b>Net Change in Fund Balances</b>	<b>545,153</b>	<b>5,863</b>	<b>(34,856)</b>	<b>(38,857)</b>	<b>477,303</b>
<b>Fund Balances - Beginning</b>	<b>1,455,955</b>	<b>53,587</b>	<b>148,499</b>	<b>(140,280)</b>	<b>1,517,761</b>
<b>Fund Balances - Ending</b>	<b>2,001,108</b>	<b>59,450</b>	<b>113,643</b>	<b>(179,137)</b>	<b>1,995,064</b>

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

**City of Leadville, Colorado**  
**Reconciliation of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2019**

**Net Change in Fund Balances - Total Governmental Funds** 477,303

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was exceeded depreciation expense.

Capitalized expenditures	225,646	
Depreciation expense	<u>(296,586)</u>	(70,940)

The net effect of miscellaneous transaction involving capita assets (i.e. sales, trade-ins, and donations is a decrease to net position.		(16,817)
--	--	----------

The repayment of principal on long-term debt consumes the current financial resources of governmental funds. This is the amount of principal repayments reported in the governmental funds. 130,677

Changes in the District's net pension liability/asset reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in the District's net pension liability/asset during the year, including difference between the City's contributions to the pension plan and amortization of pension-related deferrals

Cost share plan - Fire	35,501	
Cost share plan - Police	21,400	
Agent plan - Fire "Old Hire"	<u>257</u>	57,158

Some expenses reported in the Statement of Activities do not require the use of current financial resources. This is the change compensated absences.		<u>(5,502)</u>
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**Change in Net Position of Governmental Activities** 571,879

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

**City of Leadville, Colorado**  
**Statement of Fiduciary Net Position**  
**High Country Developers**  
**December 31, 2019**

<b>Assets:</b>	<b>Custodial Funds</b>
Cash and cash equivalents	346,820
Receivable	<u>372,874</u>
<b>Total Assets</b>	<u>719,694</u>
<b>Liabilities:</b>	
Funds held for others	<u>719,694</u>
<b>Total Liabilities</b>	<u>719,694</u>
<b>Net Position:</b>	
Net position	<u><u>-</u></u>

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

**City of Leadville, Colorado**  
**Statement of Changes in**  
**Fiduciary Net Position**  
**High Country Developers**  
**For the Year Ended December 31, 2019**

	<b>Custodial Funds</b>
<b>Additions:</b>	
Funds held for others	1,064,544
<b>Total Additions</b>	1,064,544
<b>Deductions:</b>	
Funds held for others	1,064,544
<b>Total Deductions</b>	1,064,544
<b>Net increase (decrease) in fiduciary net position</b>	-
<b>Net Position - Beginning</b>	-
<b>Net Position - Ending</b>	-

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

NOTES TO THE FINANCIAL STATEMENTS



**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**

**I. Summary of Significant Accounting Policies**

The financial statements of the City of Leadville (the "City") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Reporting Entity**

The City is incorporated under the laws of the State of Colorado and operates under an elected Mayor-Council form of government. The financial statements of the reporting entity include those of the City (the primary government) and any component units for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of that organization's governing body, if it is able to impose its will on that organization, or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations that are fiscally dependent upon the City; that is, organizations that are unable to adopt a budget, levy taxes, or issue debt without approval by the City. Finally, organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The City's blended component unit is the Leadville Urban Renewal Authority (the "LURA") is a separate entity created under Colorado Urban Renewal Law to provide for acquisition, clearance, rehabilitation, conservation, development, or redevelopment of property in the interest of public health, safety, morals or welfare of the residents of the City. The boundaries of the LURA shall be coterminous with those of the City. The LURA will consist of eleven members as follows: the City's Mayor and council members, an at large member appointed by the Mayor, plus one appointed member each from the Lake County Board of County Commissioners and the Lake County School District, with the final seat filled by a member appointed to represent the special districts levying a mill levy with the City. For financial reporting purposes, the LURA is blended into the City's financial statements and is reported in a single special revenue fund as a blended component unit. A separate budget is adopted for the LURA, however separate financial statements of the LURA are not issued.

**B. Government-wide and Fund Financial Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's individual funds).

**1. Government-wide Financial Statements**

The government-wide financial statements report information on all non-fiduciary activities of the City and categorize primary activities as either governmental or business-type. The City's governmental activities include general government, public safety, judicial (court), public works (streets and maintenance) and parks are recreation. The City does not have any business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.



**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

**1. Government-wide Financial Statements (continued)**

In the government-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, public works, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.).

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are mostly supported by general revenues (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**2. Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The City reports the following major governmental funds:

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

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Fire Operations Fund* accounts for the City's revenue and expenditures relating to the Fire Department operations.

The *Leadville Urban Renewal Fund* (the "LURA") accounts for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the LURA, including issuing debt and constructing public improvements.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**1. Long-term Economic Focus and Accrual Basis**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

The government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**3. Financial Statement Presentation**

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Financial Statement Accounts**

**1. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the City.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**1. Cash, Cash Equivalents, and Investments (continued)**

The City's follows Colorado Revised Statutes which permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 60 months)
- Corporate Bonds (maximum maturity of 60 months)
- Prime Commercial Paper (maximum maturity of 60 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

Investments are stated at fair market value. The City does not currently hold any investments which require fair market valuation.

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. The City uses the allowance method for recognizing the potential uncollectibility of delinquent accounts receivable. At December 31, 2019, no allowance has been established, as all amounts are considered collectible.

**3. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

**4. Capital Assets**

Capital assets, which include land, infrastructure, buildings, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of two years with an initial cost of \$5,000 or more. Purchased assets are recorded at historical cost. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**4. Capital Assets (continued)**

Buildings, equipment and vehicles and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

<b>Capital Assets</b>	<b>Years</b>
Buildings	30
Equipment and vehicles	3 - 30
Infrastructure	15 - 20

**5. Compensated Absences**

For governmental funds, vested and accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources, is reported as expenditures and a fund liability of the governmental fund that will pay it. Vested and accumulated vacation and sick leave not expected to be liquidated with expendable available financial resources are not reported in the governmental fund financial statements. However, these amounts are reported in the government-wide financial statements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated to be paid upon termination.

**6. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category at December 31, 2019 deferred outflows of resources related to its pension obligations which are further described at Notes IV.F.1. and IV.F.2.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Revenue from property taxes, and pension related items are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the City's net pension obligation. For further details, see Notes IV.F.1. and IV.F.2.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. Pensions**

The City participates in the Statewide Defined Benefit Plan (the "SWDB Plan") administered by the Fire and Police Pension Association of Colorado (the "FPPA"). The SWDB Plan is a cost-sharing multiple-employer defined benefit plan. The City also sponsors the firefighter "old hire" single employer defined benefit agent plan. The net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**8. Fund Balance**

The City classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the City Council.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**9. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**10. Restricted Assets**

Certain resources of the City are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable agreements.

**E. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Restricted and Unrestricted Resources**

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

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position**

These financial statements include a reconciliation between the total fund balances of all governmental funds as presented on the Governmental Funds Balance Sheet and the net position of governmental activities as reported in the government-wide Statement of Net Position. Additionally, these financial statements include a reconciliation between the total net change in fund balances of all governmental funds as presented on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Budgets are adopted on a basis consistent with GAAP. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2019:

1. For the 2019 budget year, prior to August 25, 2018, the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries. The County Assessor may change the assessed valuation on or before December 15, 2018, only once by a single notification to the City.
2. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2018, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
3. Prior to December 15, 2018, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After a required publication of "Notice of Proposed Budget", the City adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
5. After adoption of the budget resolution, the City may make the following changes:  
a) it may transfer appropriated money between funds; b) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) it may approve emergency appropriations, and d) it may reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$99,000 for TABOR, which is the approximate required reserve at December 31, 2019.

On November 7, 2017, the City's voters approved the following ballot question:

*"Without creating any new tax or increasing any current taxes, shall the city of Leadville be permitted to retain and spend city revenues derived from any and all sources in excess of the spending or other limitations set forth in Article X, Section 20 of the Colorado Constitution or in Section 29-1-301 of the Colorado Revised Statutes, beginning with revenues received in 2017, such excess revenues to be used for any and all municipal purposes?"*

The City believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise, will require judicial interpretation.



**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds**

**A. Deposits and Investments**

The City's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's cash was \$2,267,015 at year end. The City had the following cash and investments with the following maturities at December 31, 2019:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Deposits:</i>				
Petty Cash	Not rated	\$ 280	\$ 280	\$ -
Checking	Not rated	2,192,610	2,192,610	-
Savings	Not rated	5,411	5,411	
Non-negotiable Certificate of deposit	Not rated	68,714	-	68,714
		<u>\$ 2,267,015</u>	<u>\$ 2,198,301</u>	<u>\$ 68,714</u>

The City has no investments that meet the fair value requirements.

*Interest Rate Risk* - As a means of limiting its exposure to interest rate risk, the City coordinates its investment maturities closely to match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

*Credit Risk* - Colorado statutes specify instruments in which local governments may invest. The City's general investment policy is to apply the prudent-person rule; Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**B. Restricted Cash**

Restricted cash and investments consisted of the following at December 31, 2019:

Bail bonds	\$ 2,883
Court surcharge	5,411
Police Chief retirement obligation	347,950
<b>Total Restricted Cash</b>	<u>\$ 356,244</u>

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**C. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 100,638	\$ -	\$ -	\$ 100,638
Work in Process	-	173,075	-	173,075
<b>Total Capital Assets, Not Being Depreciated</b>	<u>100,638</u>	<u>173,075</u>	<u>-</u>	<u>273,713</u>
Capital assets, being depreciated:				
Infrastructure	511,344	-	-	511,344
Buildings	1,304,688	-	-	1,304,688
Equipment and vehicles	4,320,268	52,571	(44,454)	4,328,385
<b>Total Capital Assets Being Depreciated</b>	<u>6,136,300</u>	<u>52,571</u>	<u>(44,454)</u>	<u>6,144,417</u>
Less accumulated depreciation for:				
Infrastructure	(371,326)	(22,015)	-	(393,341)
Buildings	(706,671)	(23,605)	-	(730,276)
Equipment and vehicles	(2,632,788)	(250,966)	27,637	(2,856,117)
<b>Total Accumulated Depreciation</b>	<u>(3,710,785)</u>	<u>(296,586)</u>	<u>27,637</u>	<u>(3,979,734)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>2,425,515</u>	<u>(244,015)</u>	<u>(16,817)</u>	<u>2,164,683</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 2,526,153</u>	<u>\$ (70,940)</u>	<u>\$ (16,817)</u>	<u>\$ 2,438,396</u>

The City had capital outlay expenditures and depreciation expense for 2019 as follows:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
Governmental activities:		
General government	\$ 987	\$ 76,896
Cultural enhancement	20,029	-
Public safety	164,134	118,160
Public works	111,436	30,590
<b>Total</b>	<u>\$ 296,586</u>	<u>\$ 225,646</u>

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**D. Interfund Activity**

**1. Internal Balances**

Balances due between funds at December 31, 2019 were as follows:

	<b>Due To</b>	<b>Due From</b>
General	\$ 204,441	\$ -
Fire Operations	-	30,085
Leadville URA	-	174,356
	\$ 204,441	\$ 204,441

The internal balance between the General Fund and Fire Fund is due to temporary cash flow.

The amount payable to the general fund from the LURA is related to costs incurred in the formation of the LURA. This balance is not scheduled to be collected in the subsequent year.

**2. Transfers**

Transfers made during 2019 were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General	\$ -	\$ 355,107
Fire Operations	355,107	-
	\$ 355,107	\$ 355,107

The transfer made from the General Fund to the Fire Fund was the General Fund's subsidy of the fire protection operations.

**3. Interfund Loans**

During December 2018, the City entered into a promissory note agreement in the amount of \$110,000 to reimburse the expenses of the LURA, bearing interest on the unpaid principal at the rate of 3% per annum. December 3, 2019 the promissory note was amended to increase the loan up to \$185, 418. The LURA promises to repay the note in full on or before December 2021. As of December 31, 2019, the balance of the note was \$174,356 including principal and interest.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds**

**E. Long-term Liabilities**

**1. Capital Leases**

The City has entered into the following leases:

*Police Vehicles:*

- a. On May 6, 2016, the City entered into a lease purchase agreement for three police vehicles in the amount of \$108,314, bearing interest at 5.45%. Lease payments of \$2,518 are due monthly on the 6<sup>th</sup> through April 6, 2020.
- b. On August 1, 2016, the City entered into a lease purchase agreement for two police vehicles in the amount of \$52,400, bearing interest at 5.45%. Lease payments of \$1,006 are due monthly on the 1<sup>st</sup> through July 1, 2021.

*Loader:* On October 9, 2014, the City entered into a seven-year lease purchase agreement for a loader in the amount of \$168,035, bearing interest at 3.20%. Lease payments of \$2,239 are due monthly on the 9<sup>th</sup> through October 9, 2021.

*Mack Truck:* On May 3, 2017, the City entered into a five-year lease purchase agreement for a Mack Truck in the amount of \$242,723, bearing interest at 3.02%. Lease payments of \$51,475 are due annually on the 10<sup>th</sup> of January through January 10, 2021.

*Fire Tactical Tender:* On September 4, 2018, the City entered into a seven-year lease purchase agreement for a Fire Tactical Tender in the amount of \$174,900, bearing interest at 5.24%. Lease payments of \$28,971.50 are due annually on the 1<sup>st</sup> of October through October 1, 2024.

Future lease payments for the City are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 115,526	\$ 11,409	\$ 126,935
2021	101,584	7,286	108,870
2022	24,856	4,116	28,972
2023	26,158	2,813	28,971
2024	27,528	1,443	28,971
<b>Total</b>	<u>\$ 295,652</u>	<u>\$ 27,067</u>	<u>\$ 322,719</u>

Interest expense, as functionally allocated, for the year ended December 31, 2019 is:

	<u>Interest Expense</u>
Governmental activities:	
Public safety	\$ 10,035
Public works	6,383
<b>Total</b>	<u>\$ 16,418</u>

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**E. Long-term Liabilities (continued)**

**1. Capital Leases (continued)**

The net book value of the assets acquired through a capital lease is computed as follows at December 31, 2019:

Cost	\$ 793,202
Less: accumulated depreciation	(23,684)
<b>Net book Value</b>	<u><u>\$ 769,518</u></u>

**2. Accrued Compensated Absences**

City employees accumulate paid time off (“PTO”) based upon their length of employment. All employees are encouraged to use their PTO within the year it is earned. Unused accumulated PTO is payable to employees upon termination, subject to certain maximum limits. Therefore, a liability for unused paid time off is shown on the City’s government-wide financial statements.

**3. Changes in Long-term Liabilities**

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital leases	\$ 426,330	\$ -	\$ (130,678)	\$ 295,652	\$ 115,526
Compensated absences	92,529	5,502	-	98,031	-
Net pension (asset) liability	(81,056)	375,219	-	294,163	-
<b>Total</b>	<u><u>\$ 437,803</u></u>	<u><u>\$ 380,721</u></u>	<u><u>\$ (130,678)</u></u>	<u><u>\$ 687,846</u></u>	<u><u>\$ 115,526</u></u>

These liabilities are generally liquidated by the General Fund and the Fire Operations Fund.

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**1. FPPA Statewide Defined Benefit Plan**

*Plan Description:* The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Contributions:* Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 10% and 8%, respectively of base salary for a total contribution rate of 18% through 2018. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. Contributions from members and employers of plans 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 through 2018. It is a local decision on who pays the additional 4% contribution. Per the member election of 2014, the re-entry group will 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%.

*Benefits:* On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account ("SRA") has two components; the standard SRA and the reentry SRA.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Defined Benefit Plan (continued)**

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.7%.

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

*Net Pension Liability (Asset):* At December 31, 2019, the City reported liabilities of \$103,361 and \$57,578 for its proportionate share of the net pension asset for fire and police respectively. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net 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 the Plan for the calendar year 2018 relative to the total contributions of participating employers to the Plan.

At December 31, 2019, the City proportions for fire and police were as follows:

	<b>Proportionate Share</b>	
	<b>2017</b>	<b>2016</b>
Fire	0.098995%	0.100487%
Police	0.045480%	0.058365%

For the year ended December 31, 2019, the City recognized net pension (revenue) or expense of \$(35,501) and \$(21,400) for fire and police respectively.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Net Pension Liability (Asset) (continued):* At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Fire</b>		<b>Police</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 132,810	\$ 1,104	\$ 73,982	\$ 615
Change of assumptions or other inputs	100,101	-	55,761	-
Net difference between projected and actual earnings on pension plan investments	81,309	-	45,293	-
Changes in proportionate share of contributions	37,537	17,007	21,127	4,814
Contributions subsequent to measurement date	50,672	-	30,857	-
	<u>\$ 402,429</u>	<u>\$ 18,111</u>	<u>\$ 227,020</u>	<u>\$ 5,429</u>

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31,</b>	<b>Amortization</b>	
	<b>Fire</b>	<b>Police</b>
2020	\$ 61,592	\$ 35,451
2021	44,618	25,995
2022	38,323	22,489
2023	61,970	35,661
2024	31,298	18,576
thereafter	95,845	52,562
	<u>\$ 333,646</u>	<u>\$ 190,734</u>



**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Actuarial assumptions:* The collective total pension liability and actuarially-determined contributions in the December 31, 2018 actuarial valuation were determined using the following actuarial assumptions and other inputs:

<b>Actuarial Assumptions</b>	<b>Total Pension Liability 2019</b>	<b>Actuarially Determined Contributions 2018</b>
<b>Actuarial Valuation Date January 1,</b>		
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term investment Rate of Return	7.0	7.50%
Projected Salary Increases	4.25% - 11.25%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0%	0%
Includes inflation at	2.50%	2.50%

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

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. 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 0.00020.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Actuarial assumptions (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 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Rate of Return</b>
Global Equity	37.00%	8.03%
Equity Long / Short	9.00%	6.45%
Private Markets	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 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*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 Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Discount Rate (continued):* For the purpose of this valuation, the expected rate of return on pension plan investments is 7.0 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.0 percent.

*Sensitivity of the City’s proportionate share of the net pension liability (asset) to changes in the discount rate -* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.5%)</b>
Collective net pension liability (asset)	\$ 490,270,474	\$ 126,427,453	\$ (175,373,752)
Proportionate share of net pension liability (asset):			
Fire	\$ 400,817	\$ 103,361	\$ (143,376)
Police	\$ 223,276	\$ 57,578	\$ (79,868)

*Pension plan fiduciary net position:* Detailed information about the Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report, which can be obtained at: [http://www.fppaco.org/annual\\_reports.htm](http://www.fppaco.org/annual_reports.htm).

**2. Agent Fire “Old Hire” Pension Plan**

*Plan Description:* The City is trustee of a single-employer defined benefit pension plan available to provide retirement income for all fire fighters hired before April 8, 1978 (“old hires”) in recognition of their service to the City. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://fppaco.org>.

The plan provides normal retirement benefits, severance, and death and disability benefits. Normal retirement benefits begin at 50 years of age and upon completion of 18 years of service and include monthly pension equal to one-half of his monthly salary at the date of his retirement. For severances, firefighters have the option to refund their contribution with 5% annual interest, or to receive deferred retirement pensions equal to one-half their monthly salary if they meet the age and service requirements of the normal retirement benefit. If a firefighter eligible to receive or is receiving benefits dies in retirement, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-half the monthly pension the firefighter was entitled to receive. There are no vested retirement benefits.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**2. Agent Fire “Old Hire” Pension Plan (continued)**

*Plan Description (continued):* As of January 1, 2018, the latest actuarial valuation date, there were 0 active members, 0 service retirees and 3 retirees and beneficiaries.

*Funding Policy:* The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the “State”) toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less. Since the City currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

*Net Pension Liability:* At December 31, 2019, the old hire pension fund reported a net pension liability of \$133,224. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

*Actuarial Assumptions:* The significant actuarial assumptions used in the valuation as of January 1, 2016 were:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open*
Remaining amortization period	17 Years*
Asset valuation method	5-Year smoothed fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: For ages less than 55, RP-2014 Mortality Table for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**2. Agent Fire “Old Hire” Pension Plan (continued)**

*Actuarial Assumptions (continued):* Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on pension plan investments (7.50%), 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 (3.71%) to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits. The resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability (asset) to changes in the Single Discount Rate, the following represent the plan’s net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Net pension liability (asset)	\$ 151,279	\$ 133,224	\$ 117,268

In connection with the City’s Old Hire Pension Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2019:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 5,859	\$ -
Contributions subsequent to measurement date	15,624	-
	\$ 21,483	\$ -

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**2. Agent Fire “Old Hire” Pension Plan (continued)**

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

<b>Year Ended</b>	<b>Amortization</b>
<b>December 31,</b>	
2020	\$ 2,642
2021	942
2022	355
2023	1,920
	<b>\$ 5,859</b>

**G. Other Payroll Obligation - Police Chief Retirement Benefit Obligation**

The City has one retired police chief who is covered by an agreement to provide retirement benefits. The benefit provides approximately \$30,000 in annual payments. In 2019 the City has set aside \$13,206 to provide this benefit. The City has not completed recurring actuarial evaluations one beneficiary receiving benefits who is age 85 as of December 31, 2019. No other City employees currently participate or will participate in the plan in the future as all employees hired after April 8, 1978, are covered by a FPPA “new hire” pension plan.

The payment is based upon 65% of the average salary received one year before retirement, with an adjustment of 3% of such average salary for each year of service completed in excess of 22 years, up to a maximum of 100% of such policemen's average salary.

The City has recorded this amount as restricted cash and a liability as accrued expenses in the General Fund.

**V. Other Information**

**A. Pension Plans**

**1. Deferred Compensation Plan**

The City offers its full time, year-round employees a deferred compensation plan created in accordance with section 457 of the Internal Revenue Code (the “457 Plan”). The 457 Plan permits eligible employees to defer a portion of their salary until future years.

All compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the 457 Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**A. Pension Plans (continued)**

**1. Deferred Compensation Plan (continued)**

The City matches employee contributions at a minimum rate of 1% for all City employees with up to 5% match for fire and police personnel and up to 6% match for other City employees.

The City contributed \$44,056 for the year ended December 31, 2019

Investment decisions within the 457 Plan are determined by the individual participants and, therefore, the 457 Plan's investment concentration varies between participants.

The City is the Trustee of the 457 Plan and, accordingly, has no liability for losses under the plan. However, the City does have the duty of due care that would be required of an ordinary prudent investor. Consequently, the 457 Plan is not part of the City's financial statements.

**2. Statewide Money Purchase Plan**

*The Plan:* The SWMP became effective on January 1, 1995. Participants can choose from various investments selected by the Self-Directed Plan Committee pursuant to the fund structure approved by the board of directors, as well as mutual funds or other investments offered through a Self-Directed Brokerage Account.

*Contributions:* The contribution rate for members and the City is a minimum of 8% of covered salaries. The City contributed \$1,237 for the year ended December 31, 2019. Member contributions vest immediately and employer contributions vest at the rate of 20% per year and are fully vested after five years. As of December 31, 2019, the City had one partially vested employee participating in the SWMP. Unvested City contributions for employees who leave employment before five years are reserved in a forfeiture account to pay the administrative expenses of the Plan. Forfeitures may be carried forward from one plan year to the next for up to five years. After five years, forfeitures not used to pay the administrative expenses of the plan must be used to reduce the City's required contributions to the plan. There were no forfeitures during the year ended December 31, 2019.

**3. Statewide Death and Disability Plan**

*Plan Description* – Firefighters and police of the City contribute to the Statewide Death and Disability Plan ("SWDD"). The SWDD is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD are used solely for the payment of death and disability benefits. The SWDD was established in 1980 pursuant to Colorado Revised Statutes.

SWDD benefits provide 24-hour coverage, both on- and off-duty for members not eligible for normal retirement under a defined benefit plan, or under a money purchase plan.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**A. Pension Plans (continued)**

**3. Statewide Death and Disability Plan (continued)**

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

*Funding Policy* – Prior to 1997, the SWDD was primarily funded by the State of Colorado (the "State"), whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The SWDD is funded by member or on-behalf of member contributions. Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the SWDD. Contributions may be increased 0.1 percent biennially by the FPPA Board. As of January 1, 2017, the contribution rate is 2.7 percent of base salary. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members.

The 2.7 percent contribution may be paid entirely by the City or member, or it may be split between the City and the member as determined at the local level. The City's members paid \$28,589 to the SWDD at December 31, 2019.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

**B. Risk Management**

**1. Colorado Intergovernmental Risk Sharing Agency**

The City is exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; general property liability and errors and omissions. To address such risks, the City is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property, \$100,000 per claim/annual aggregate public relations and security breach, \$1,000,000 per claim or occurrence for liability, \$1,000,000 for public officials' liability, \$500,000 each claim/annual aggregate security and privacy liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the City may be liable for any losses in excess of this coverage, the City does not anticipate such losses at December 31, 2019. The deductible amount paid by the City for each incident in 2019 was \$1,000. All settlements for the year-ended December 31, 2019 were under the maximum coverage allowed.



**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**B. Risk Management (continued)**

**1. Colorado Intergovernmental Risk Sharing Agency (continued)**

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The City's share of CIRSA's assets, liabilities and fund equity as of December 31, 2019, (the latest year for which audited data is available) is as follows:

<b>Property and Casualty Pool:</b>	<b>Equity Ratio</b>
Operating Fund	0.0781%
Loss Fund	0.3331%
Excess Fund	0.1871%
Reserve Fund	0.3281%

CIRSA's combined financial information for the year ended December 31, 2019, is summarized as follows:

<b>Assets:</b>	
Cash and investments	\$ 80,357,222
Other assets	6,997,623
<b>Total assets</b>	<b>87,354,845</b>
<b>Total liabilities</b>	<b>37,380,157</b>
<b>Net position</b>	<b>\$ 49,974,688</b>
Total revenues	\$ 29,379,298
Total expenses	(29,157,832)
<b>Change in net position</b>	<b>\$ 221,466</b>

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

**2. Workers' Compensation**

The City is exposed to various risks of loss related to workers' compensation. The City has acquired commercial coverage for this risk and any settled claims are not expected to exceed the commercial insurance coverage. There is no change in coverage from past years, and settlements have not exceeded coverage for each of the past three fiscal years.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**C. Commitments and Contingencies**

**1. Legal Claims**

During the normal course of business, the City may incur claims and other assertions against it from various agencies and individuals. Management of the City and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2019.

**2. Federal and State Grants and Financial Sources**

The City receives financial assistance from federal and state governmental agencies in the form of grants and operating agreements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the City, any such disallowed claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2019.

**D. Agreements**

**1. Lake County – Shared Fire Protection Services**

In accordance with an intergovernmental agreement with Lake County, Colorado (“County”), the County reimburses the City for 70% of the City's fire protection expenditures. The County's share of fire protection expenditures totaled \$806,996 for the year ended December 31, 2019.

**2. Lake County – Shared Animal Shelter Services**

The County and City equally share all costs associated with the construction and maintenance of an animal shelter as per the intergovernmental agreement. The City is responsible for providing staffing of 12 hours per week for the animal shelter via the City's Police Department. The County's share of animal shelter costs totaled \$46,975 during 2019.

**3. County Health Pool**

In 2004, the City entered into an agreement with the County Health Pool for administration of a health insurance program for all full-time non-elected City employees. Under this agreement, the City must purchase and pay for 50% of the employees' health insurance premiums (the City is currently paying 75%), and 100% of employees' group life insurance premiums must be purchased by the City. Employees are eligible for coverage after 30 days of continuous full-time employment.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**D. Agreements (continued)**

**4. Railyard at Leadville**

**1. Undergrounding Project**

The City entered into agreements during March of 2018 with High Country Developers, L.L.C. ("HCD") and Xcel Energy ("Xcel") for undergrounding electric service lines in the area known as the Railyard at Leadville Project (the "Undergrounding Project"). As of March 2018, the project is estimated to cost \$520,200. The City has a franchise agreement dated September 22, 2014 where Xcel accumulates 1% ("1% Fund") of gross revenue for electrical services within the City to be used for the purposes of undergrounding electric service lines in the City. The City and Xcel have agreed to use \$400,000 of the City's allocated 1% Fund for use at the Railyard at Leadville. The City's agreement with the HCD states HCD will be responsible for any actual cost above the City's \$400,000 allocation of the 1% Fund. In accordance to the agreement the Developer has deposited \$120,200 with the City for the estimated balance necessary to complete the undergrounding project.

**2. Mountain View Drive and U.S. Highway 24 Signal Project**

In April of 2019 the City entered into agreements with the Colorado Department of Transportation ("CDOT") and HCD for traffic signal replacement and intersection improvements at Mountain View Drive and U.S. Highway 24 (the "Signal Project"). The cost of the Signal Project is currently contracted to be \$1,199,742, to be completed by Technology Contractors, Inc. The cost of the Signal Project is will be paid by CDOT reimbursements to the City in the amount of \$592,255 and HCD in the amount of \$607,487. Additionally, since the CDOT funds will provided as reimbursements for completed and approved improvements, HCD will provide advance funds to the City in order for the funding necessary to pay for work on the improvements. This advance funding will be returned to HCD upon receipt of the CDOT reimbursements. Any costs beyond the original estimate will be the responsibility of HCD.

**E. Leadville Urban Renewal Authority**

The LURA has implemented an Incentive Policy to encourage redevelopment, development and physical improvement of vacant, underutilized, and deteriorating properties within targeted locations of the city. The LURA and the City may participate in meritorious projects based on need and public benefit. Resources of the LURA and City are to be used to offset extraordinary costs associated with prevailing conditions that may be unfavorable for investment by providing resources to supplement financing of a project. Resources may be allocated via tax increment financing ("TIF"), infrastructure cost participation, relocation assistance, special district partnership, sales tax rebate, when feasible, fee and lien waivers and other miscellaneous incentives as detailed in the Incentive Policy.

**City of Leadville, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**E. Leadville Urban Renewal Authority (continued)**

The LURA and the City have entered into a certain agreement to meet development goals within certain areas of the City. The following areas have continuing development requirements or abatement agreements requiring disclosure entered into in 2020.

<b>Development Area</b>	<b>Revenues Impacted</b>	<b>Governing Document</b>	<b>Amount</b>	<b>Requirements</b>
Railyard Leadville	Property Tax Increment	Cooperation and Development Agreement	\$ 4,000,000	Earlier of \$4,000,000 percentage shares of incremental property taxes or September 19, 2044.

**F. Subsequent Events**

**A. COVID-19**

The spread of COVID-19 may have operational, economic and financial impacts on the City. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

**B. Capital Lease**

On June 2, 2020, the City entered into a capital lease agreement with Ford Motor Credit Company, L.L.C., to purchase three vehicles in the amount of \$104,940. The agreement has an interest rate of 5.99% with sixty monthly principal and interest payments of \$2,029.

REQUIRED SUPPLEMENTARY INFORMATION



**City of Leadville, Colorado**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Amounts For the Year Ended 2018)**

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Property tax	518,613	518,613	517,858	(755)	400,015
Specific ownership tax	17,000	17,000	34,304	17,304	24,382
Sales tax	1,378,597	1,378,597	1,908,881	530,284	1,540,224
Franchise tax	130,000	130,000	137,502	7,502	120,156
Other taxes	103,888	103,888	203,881	99,993	83,911
<b>Total Taxes</b>	<u>2,148,098</u>	<u>2,148,098</u>	<u>2,802,426</u>	<u>654,328</u>	<u>2,168,688</u>
<b>Licenses and Permits:</b>					
Liquor license fee	6,000	6,000	8,690	2,690	5,952
Business licenses	30,000	30,000	36,400	6,400	35,005
Private parking permits	6,200	6,200	8,050	1,850	7,419
Excavation and zoning	6,000	6,000	7,200	1,200	6,200
<b>Total Licenses and Permits</b>	<u>48,200</u>	<u>48,200</u>	<u>60,340</u>	<u>12,140</u>	<u>54,576</u>
<b>Intergovernmental Revenue:</b>					
Grant revenue	111,000	111,000	138,879	27,879	39,316
State Highway Users Fund	120,000	120,000	138,723	18,723	145,488
Animal control reimbursement (County)	64,334	64,334	46,975	(17,359)	42,591
Motor vehicle fees	10,000	10,000	17,133	7,133	7,172
State highway maintenance	18,000	18,000	18,000	-	18,000
<b>Total Intergovernmental Revenue</b>	<u>323,334</u>	<u>323,334</u>	<u>359,710</u>	<u>36,376</u>	<u>252,567</u>
<b>Charges for Services:</b>					
Building inspection fees	-	-	-	-	40,006
Fire department administrative fee	25,400	25,400	25,400	-	25,400
Other charges for services	3,000	3,000	3,154	154	3,121
Development review fees	900,000	900,000	60,274	(839,726)	54,864
Animal control fees	20,000	20,000	28,724	8,724	22,426
<b>Total Charges for Services</b>	<u>948,400</u>	<u>948,400</u>	<u>117,552</u>	<u>(830,848)</u>	<u>145,817</u>
<b>Fines and Forfeitures:</b>					
Traffic fines	20,000	20,000	18,710	(1,290)	16,250
Other	13,100	13,100	11,667	(1,433)	13,928
Court fines	4,000	4,000	5,900	1,900	4,205
Parking fines	15,000	15,000	12,860	(2,140)	13,755
<b>Total Fines and Forfeitures</b>	<u>52,100</u>	<u>52,100</u>	<u>49,137</u>	<u>(2,963)</u>	<u>48,138</u>
<b>Other:</b>					
Investment income	9,600	9,600	10,043	443	9,304
Donations and contributions	502,400	502,400	19,987	(482,413)	4,171
Other grants	-	-	2,166	2,166	31,153
Other income	66,844	66,844	64,201	(2,643)	21,541
<b>Total Other</b>	<u>578,844</u>	<u>578,844</u>	<u>96,397</u>	<u>(482,447)</u>	<u>66,169</u>
<b>Total Revenues</b>	<u>4,098,976</u>	<u>4,098,976</u>	<u>3,485,562</u>	<u>(613,414)</u>	<u>2,735,955</u>

(continued)

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

**City of Leadville, Colorado**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Amounts For the Year Ended 2018)**  
**(Continued)**

	<u>2019</u>			<u>Final</u>	<u>2018</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
				<u>Variance</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Expenditures:</b>					
General Government:					
Executive	49,797	49,797	49,740	57	53,996
Administrative	102,083	102,083	87,985	14,098	107,992
City Clerk	60,802	60,802	55,103	5,699	39,932
City Treasurer	92,040	92,040	65,771	26,269	81,110
General operating	1,913,527	1,913,527	629,502	1,284,025	546,400
Animal shelter	128,668	128,668	142,258	(13,590)	111,776
Judicial	41,338	41,338	40,507	831	26,720
Police department	738,349	738,349	763,895	(25,546)	695,864
Public works	445,177	445,177	491,087	(45,910)	435,306
Capital outlay	129,500	129,500	150,582	(21,082)	90,856
Debt Service:					
Principal	120,624	120,624	109,352	11,272	110,607
Interest	-	-	8,772	(8,772)	13,540
	<u>3,821,905</u>	<u>3,821,905</u>	<u>2,594,554</u>	<u>1,227,351</u>	<u>2,314,099</u>
<b>Total Expenditures</b>					
<b>Excess of Revenues</b>					
<b>Over Expenditures</b>	<u>277,071</u>	<u>277,071</u>	<u>891,008</u>	<u>613,937</u>	<u>421,856</u>
<b>Other Financing (Uses)</b>					
Transfer (out)	<u>(338,571)</u>	<u>(338,571)</u>	<u>(345,855)</u>	<u>(7,284)</u>	<u>(355,107)</u>
<b>Total Other Financing (Uses)</b>	<u>(338,571)</u>	<u>(338,571)</u>	<u>(345,855)</u>	<u>(7,284)</u>	<u>(355,107)</u>
<b>Net Change in Fund Balances</b>	<u>(61,500)</u>	<u>(61,500)</u>	545,153	<u>606,653</u>	66,749
<b>Fund Balances - Beginning</b>			<u>1,455,955</u>		<u>1,389,206</u>
<b>Fund Balances - Ending</b>			<u>2,001,108</u>		<u>1,455,955</u>

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

**City of Leadville, Colorado**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**  
**Conservation Trust Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Amounts For the Year Ended 2018)**

	<u>2019</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2018</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
State lottery funds	28,000	28,000	31,722	3,722	27,106
Investment income	600	600	881	281	867
<b>Total Revenues</b>	<u>28,600</u>	<u>28,600</u>	<u>32,603</u>	<u>4,003</u>	<u>27,973</u>
<b>Expenditures:</b>					
Parks	22,878	22,878	17,769	5,109	26,943
Other	8,722	8,722	8,971	(249)	14,508
<b>Total Expenditures</b>	<u>31,600</u>	<u>31,600</u>	<u>26,740</u>	<u>4,860</u>	<u>41,451</u>
<b>Net Change in Fund Balances</b>	<u>(3,000)</u>	<u>(3,000)</u>	5,863	<u>8,863</u>	(13,478)
<b>Fund Balances - Beginning</b>			<u>53,587</u>		<u>67,065</u>
<b>Fund Balances - Ending</b>			<u>59,450</u>		<u>53,587</u>

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



**City of Leadville, Colorado**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**  
**Fire Operations Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Amounts For the Year Ended 2018)**

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Intergovernmental revenue - Lake County	827,709	790,000	806,996	16,996	828,584
Grants	-	-	148,209	148,209	127,725
Forest service payments	-	-	81,044	81,044	159,524
Standby payments	-	-	1,875	1,875	8,625
Donations and contributions	-	-	420	420	4,033
Investment income	-	-	456	456	449
Other income	-	355,113	-	(355,113)	-
<b>Total Revenues</b>	<u>827,709</u>	<u>1,145,113</u>	<u>1,039,000</u>	<u>(106,113)</u>	<u>1,128,940</u>
<b>Expenditures:</b>					
Salaries, wages and taxes	905,332	851,461	904,719	(53,258)	895,644
Wildfire assignment and standby expense	-	-	49,537	(49,537)	104,997
Other fire expense	277,110	277,110	392,445	(115,335)	419,722
Capital outlay	130,113	130,113	92,738	37,375	227,684
Debt Service:					
Principal	-	-	21,325	(21,325)	28,972
Interest	-	-	7,647	(7,647)	-
Contingency	-	225,000	-	225,000	-
<b>Total Expenditures</b>	<u>1,312,555</u>	<u>1,483,684</u>	<u>1,468,411</u>	<u>15,273</u>	<u>1,677,019</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(484,846)</u>	<u>(338,571)</u>	<u>(429,411)</u>	<u>(90,840)</u>	<u>(548,079)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	354,733	338,571	345,855	7,284	355,107
Capital contributions	-	-	48,700	48,700	30,000
Lease proceeds	-	-	-	-	174,900
<b>Total Other Financing Sources</b>	<u>354,733</u>	<u>338,571</u>	<u>394,555</u>	<u>55,984</u>	<u>560,007</u>
<b>Net Change in Fund Balances</b>	<u>(130,113)</u>	<u>-</u>	<u>(34,856)</u>	<u>(34,856)</u>	<u>11,928</u>
<b>Fund Balances - Beginning</b>			148,499		136,571
<b>Fund Balances - Ending</b>			<u>113,643</u>		<u>148,499</u>

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

**City of Leadville, Colorado**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**  
**Leadville Urban Renewal Authority**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Amounts For the Year Ended 2018)**  
**(Continued)**

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Other income	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-
<b>Expenditures:</b>					
General Government:					
General operating	25,000	80,000	38,857	41,143	95,485
<b>Total Expenditures</b>	25,000	80,000	38,857	41,143	95,485
<b>Net Change in Fund Balances</b>	<u>(25,000)</u>	<u>(80,000)</u>	(38,857)	<u>(41,143)</u>	(95,485)
<b>Fund Balances - Beginning</b>			(140,280)		(44,795)
<b>Fund Balances - Ending</b>			<u>(179,137)</u>		<u>(140,280)</u>

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

**City of Leadville, Colorado**  
**Schedule of the City's Proportionate Share of Net Pension (Asset) Liability**  
**Statewide Defined Benefit Plans**  
**Fire and Police Pension Association of Colorado**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

<u>Cost Share Plan</u>	<u>Measurement period ending December 31,</u>					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Fire:</b>						
City's portion of the net pension (asset) liability - Fire	0.081754%	0.098995%	0.100487%	0.087152%	0.092478%	0.086585%
City's proportionate share of the net pension (asset) liability - Fire	103,361	(142,419)	36,310	(1,536)	(82,692)	(77,664)
City's covered payroll - Fire	547,638	579,050	514,275	422,838	415,875	377,242
City's proportionate share of the net pension (asset) liability as a percentage of its covered payroll - Fire	18.87%	-24.60%	7.06%	-0.36%	-19.88%	-20.59%
<b>Police:</b>						
City's portion of the net pension (asset) liability - Police	0.045541%	0.045480%	0.058365%	0.053234%	0.063008%	0.067286%
City's proportionate share of the net pension (asset) liability - Police	57,578	(65,429)	21,090	(938)	(56,341)	(60,167)
City's covered payroll - Police	305,063	266,025	298,700	261,038	283,350	292,250
City's proportionate share of the net pension (asset) liability as a percentage of its covered payroll - Police	18.87%	-24.60%	7.06%	-0.36%	-19.88%	-20.59%
Plan fiduciary net position as a percentage of the total pension (asset) liability	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the plan.

**City of Leadville, Colorado**  
**Schedule of City's Contributions**  
**Statewide Defined Benefit Plans**  
**Fire and Police Pension Association of Colorado**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

<b>Cost Share Plan</b>	<b>Fiscal years ending December 31,</b>					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Fire:</b>						
Contractually required contribution	50,672	43,811	46,324	41,142	33,827	33,270
Contributions in relation to the contractually required contribution	<u>(50,672)</u>	<u>(43,811)</u>	<u>(46,324)</u>	<u>(41,142)</u>	<u>(33,827)</u>	<u>(33,270)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	633,400	547,638	579,050	514,275	422,838	415,875
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
<b>Police:</b>						
Contractually required contribution	30,857	24,405	21,282	23,896	20,833	22,668
Contributions in relation to the contractually required contribution	<u>(30,857)</u>	<u>(24,405)</u>	<u>(21,282)</u>	<u>(23,896)</u>	<u>(20,833)</u>	<u>(22,668)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	385,713	305,063	266,025	298,700	261,038	283,350
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

\* Information is only available beginning in fiscal year 2014.

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

**City of Leadville, Colorado**  
**Schedule of Changes in Net Pension (Asset) Liability**  
**Fire "Old Hire" Plan**  
**Fire and Police Pension Association of Colorado**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

<b>Agent Plan</b>	<b>Measurement period ending December 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>					
Interest on the Total Pension Liability	18,774	18,608	19,263	18,558	19,216
Difference between Expected and Actual Experience	-	7,489	-	7,112	-
Assumption Changes	-	-	-	11,711	-
Benefit Payments	(19,631)	(27,990)	(27,990)	(27,990)	(27,990)
<b>Net Change in Total Pension Liability</b>	<b>(857)</b>	<b>(1,893)</b>	<b>(8,727)</b>	<b>9,391</b>	<b>(8,774)</b>
<b>Total Pension Liability - Beginning</b>	<b>259,957</b>	<b>261,850</b>	<b>270,577</b>	<b>261,186</b>	<b>269,960</b>
<b>Total Pension Liability - Ending (a)</b>	<b>259,100</b>	<b>259,957</b>	<b>261,850</b>	<b>270,577</b>	<b>261,186</b>
<b>Plan Fiduciary Net Position</b>					
City Contributions	15,624	15,624	9,793	9,793	8,461
Pension Plan Net Investment Income	119	17,046	7,024	2,716	10,756
Benefit Payments	(19,631)	(27,990)	(27,990)	(27,990)	(27,990)
Pension Plan Administrative Expense	(3,401)	(1,065)	(2,088)	(581)	(5,881)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(7,289)</b>	<b>3,615</b>	<b>(13,261)</b>	<b>(16,062)</b>	<b>(14,654)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>133,165</b>	<b>129,550</b>	<b>142,811</b>	<b>158,873</b>	<b>173,527</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>125,876</b>	<b>133,165</b>	<b>129,550</b>	<b>142,811</b>	<b>158,873</b>
<b>Net Pension (Asset) Liability - Ending (a) - (b)</b>	<b>133,224</b>	<b>126,792</b>	<b>132,300</b>	<b>127,766</b>	<b>102,313</b>
Plan Fiduciary Net Position as a Percentage of Total Pension (Asset) Liability	48.58%	51.23%	49.47%	52.78%	60.83%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension (Asset) Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

\* Information is only available beginning in fiscal year 2014.

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

**City of Leadville, Colorado**  
**Schedule of City Contributions**  
**Fire "Old Hire" Plan**  
**Fire and Police Pension Association of Colorado**  
**Last 10 Fiscal Years \***  
**(Unaudited)**

<b>Agent Plan</b>	<b>Fiscal years ending December 31,</b>					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	15,624	15,624	15,624	9,793	9,793	8,461
Actual contribution	(15,624)	(15,624)	(15,624)	(9,793)	(9,793)	(8,461)
Contribution deficiency (excess)	-	-	-	-	-	-
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

\* Information is only available beginning in fiscal year 2014.

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

**City of Leadville, Colorado**  
**Notes to the Required Supplementary Information**  
**December 31, 2019**  
**(Continued)**

**I. Notes to the Schedule of the City's Proportionate Share of the Net Pension (Asset) Liability – Statewide Defined Benefit Plans**

**A. Changes to assumptions or other inputs**

**1. Changes Since the January 1, 2017 Actuarial Valuation**

- No changes.

**2. Changes Since the January 1, 2016 Actuarial Valuation**

- No changes.

**3. 2016 Changes Since the January 1, 2015 Actuarial Valuation are as Follows:**

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that 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 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 0.00020.

**4. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:**

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented.

**City of Leadville, Colorado**  
**Notes to the Required Supplementary Information**  
**December 31, 2019**  
**(Continued)**

**II. Notes to the Schedule of City’s Contributions – Statewide Defined Benefit Plans**

**A. Changes to assumptions or other inputs**

No changes during the years presented.

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented.

**III. Notes to the Schedule of Changes in Net Pension (Asset) Liability – Fire “Old Hire” Plan**

**A. Changes to assumptions**

**1. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:**

The inflation assumption was reduced from 3.0% to 2.5%.

Post-retirement mortality assumptions: For ages less than 55, RP- 2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitant. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1930) mortality assumptions: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented.

**IV. Notes to the Schedule of City Contributions – Fire “Old Hire” Plan**

**A. Changes to assumptions**

**1. 2015 Changes Since the January 1, 2014 Actuarial Valuation are as Follows:**

The asset method valuation approximates smoothing over a five-year period by recognizing 20% of the difference between the projected actuarial value and the market value at the valuation date. The remaining amortization period is 17 years.

Disabled (pre-1980) mortality assumptions: RP-2000 Disabled Mortality Table generationally projected with Scale AA.



**City of Leadville, Colorado**  
**Notes to the Required Supplementary Information**  
**December 31, 2019**  
**(Continued)**

**IV. Notes to the Schedule of City Contributions – Fire “Old Hire” Plan (continued)**

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented.

SUPPLEMENTARY INFORMATION



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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: City of Leadville
	YEAR ENDING : December 2019

This Information From The Records Of (example - City of _ or County of	Prepared By: Dawna Schneider
	Phone: 719-486-5329

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	66,945
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	346,202
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	550,704	b. Snow and ice removal	230,801
3. Other local imposts (from page 2)	248,417	c. Other	
4. Miscellaneous local receipts (from page 2)	18,625	d. Total (a. through c.)	230,801
5. Transfers from toll facilities		4. General administration & miscellaneous	13,447
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	333,201
a. Bonds - Original Issues		6. Total (1 through 5)	990,596
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	817,746	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	172,850	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	990,596	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	990,596

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		990,596	990,596		0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): 0

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	18,625
1. Sales Taxes	216,719	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	31,698	g. Other Misc. Receipts	
6. Total (1. through 5.)	248,417	h. Other	
c. Total (a. + b.)	248,417	i. Total (a. through h.)	18,625
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	138,723	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	16,127	d. Federal Transit Admin	
d. Other (Specify) - State Highway M	18,000	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	34,127	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	172,850	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		66,945	66,945
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	66,945	66,945
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	66,945	66,945
			(Carry forward to page 1)

**Notes and Comments:**