

CITY OF LA JUNTA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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CITY OF LA JUNTA, COLORADO

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of La Junta, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of La Junta, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of La Junta, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, analysis, pension schedules and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Junta, Colorado's basic financial statements. The combining and individual fund financial statements and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, the local highway finance report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the local highway finance report and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2018, on our consideration of the City of La Junta, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of La Junta, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of La Junta, Colorado's internal control over financial reporting and compliance



Hancock Froese & Company LLC

Rocky Ford, Colorado
May 11, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of The City of La Junta, Colorado (the "City") offers readers of the City's annual financial report this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

1. Assets of the City exceed its liabilities by \$62,430,788 in 2017 compared to \$62,562,112 in 2016. Of these amounts, the City's Business-type Activities were \$36,752,096 in 2017 compared to \$36,664,986 in 2016 and the City's Governmental Activities were \$25,678,692 in 2017 compared to \$25,897,126 in 2016. Unrestricted net position total was \$14,398,700 in 2017 compared to \$16,726,251 in 2016 and may be used to meet the City's on-going obligations.
2. By far, the largest portion of the City's net position is its net investment in capital assets. Net investment in capital assets was \$46,406,155 in 2017 compared to \$44,356,027 in 2016. The infrastructure consists of streets, bridges, and storm sewers. Estimated historical cost was used to initially value the infrastructure.
3. The City's debt for the enterprise funds is for the construction of a waste-water treatment facility and the construction of a reverse osmosis water treatment plant with associated raw water mains and water main across the Arkansas River. The City received loans of \$13,348,899 in 2015 to construct the new waste-water facility and \$1,830,000 in 2009 to construct new water tanks. These loans are through the Colorado Water Resource and Power Development Authority. Also included in enterprise fund debt are sewer lagoon improvements at the Industrial Park, post closure costs on landfill, and compensated absences for a total noncurrent liability balance reported of \$17,994,866 in 2017 compared to \$19,340,884 in 2016. Otero County Landfill Inc. (OCLI) required the City to fund post closure costs for the Sanitation Fund of \$532,000.
4. The Restricted Net Position includes 1) \$243,000 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, 2) \$357,412 of non-expendable endowments for the library and cemetery, 3) \$76,239 restricted assets, 4) \$75,787 of non-expendable notes, 5) \$79,495 for conservation trust, and 6) \$794,000 of cash restricted for operations and maintenance.
5. The City continues working with ARPA with the power plant in Lamar. It is involved in a lawsuit with B&W on its inability to get the boiler to comply with EPA regulations on emissions. ARPA won the lawsuit, but is waiting to see if they appeal the decision. The plant will be evaluated to be dismantled and sold in 2018. The City of Lamar filed a lawsuit with ARPA for breach of contract which they settled, but this will have a negative impact on the rates over time.
6. The City continued using the Property Management Fund to help fund economic development with the revenues from building rents of city-owned industrial and commercial buildings. The City transferred \$89,742 from its Property Management Fund to the Economic Development Fund.
7. The City's **governmental funds** reported a combined ending fund balance of \$6,629,179 in 2017 compared to \$7,044,602 in 2016 including the General Fund with \$5,074,466 in 2017 compared to \$5,464,227 in 2016, the Southwest Amtrak Improvement Fund with \$0 in 2017 compared to \$0 in 2016 and other non-major Governmental Funds with \$1,554,713 in 2017 compared to \$1,580,375 in 2016.
8. The **governmental funds** reported total assigned and unassigned fund balances of \$5,797,246 in 2017 compared to \$6,343,994 in 2016. The combined assigned and unassigned fund balance is made up of \$4,755,227 in 2017 compared to \$5,168,871 in 2016 from the General Fund and \$1,042,019 in 2017 compared to \$1,175,123 in 2016 from other non-major funds.
9. The City's **proprietary funds** reported a combined Total Net Position of \$35,767,118 in 2017 compared to \$35,691,272 in 2016 of which \$6,374,600 in 2017 compared to \$9,018,312 in 2016 is unrestricted.

10. The City's **proprietary funds** reported combined cash or equivalents and cash with trustee of \$17,085,215 in 2017 compared to \$19,922,233 in 2016 compared to accumulated depreciation of \$45,098,006 in 2017 compared to \$44,839,528 in 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management discussion and analysis (this section), the basic financial statements, required supplementary information, and a section that presents combining statements for nonmajor governmental funds, internal service funds and budget statements. This discussion and analysis serves as an introduction to La Junta's basic financial statements. The City's basic financial statements consist of three components:

1. City-wide financial statements that provide both short-term and long-term information about the City's overall financial status.
2. Fund financial statements that focus on individual parts of the City government, reporting in more detail than the City-wide statements.
3. Notes to the financial statements that explain some of the information in the financial statements and provide detailed data.

This report also contains required and other additional 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 private-sector business. These statements use the accrual basis of accounting with the measurement focus on that of economic resources. All assets and liabilities, both financial and capital, short-term and long-term, are included. All revenues and expenses during the year, regardless of when cash is received, are reported. The government-wide financial statements consist of two statements:

1. The **Statement of Net Position** presents information on all of the City's assets and liabilities, with the difference between the two reported as "*net position*". Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
2. The **Statement of Activities** presents information reporting how the City'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 result in cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation, Economic Development, and Interest on Long Term Debt. The business-type activities of the City include Electric, Water, Sewer, Sanitation, and Property Management.

Fund Financial Statements:

A *Fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into three categories:

- Governmental funds
- Proprietary funds
- Internal service funds

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the Government-wide financial statements. Unlike the Government-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed *short-term* view of the City's general government operations and may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the City-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the City-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the *governmental fund* Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

The City maintains 10 individual governmental funds. Information is presented separately in the *governmental fund* Balance sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance for the Governmental Funds. Individual fund information is presented for the General Fund and the Southwest Amtrak Improvement Fund, which are major funds. Information for the remaining governmental funds is combined into a single "other governmental funds" column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements presented in the Supplemental Information portion of the report. Data from other governmental funds are combined into a single aggregated presentation.

Proprietary funds: The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the Government-wide financial statements. These include activities that the City operates similar to a private business. Proprietary funds use the accrual basis of accounting and focus on the accumulation and use of economic resources. Proprietary fund financial statements include the Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. All assets and liabilities, both financial and capital, and short-term and long-term, are included with these statements. All revenues earned and expenses incurred during the year are also included regardless of when cash is received or paid. The City uses Enterprise Funds to account for the Electric, Water, Sewer, Sanitation, and Property Management activities.

Internal service funds: Internal service funds are used to accumulate and allocate costs internally among the City's functions. The City uses an Internal Services Fund to account for the provision of equipment provided by the City for its various departments known as the City Service Fund. Departments utilize a rental charge reimbursement rate to provide the resources necessary to fund future acquisitions. In addition, an Employee Benefit Fund is utilized to provide health coverage for its employees. Because these two internal service funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the Government-wide financial statements.

All internal service funds are combined into a single aggregated column presentation. Individual fund data for the internal service funds is provided in the form of combining statements presented in the supplemental information portion of the report.

Notes to the Basic Financial Statements:

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

Required Supplementary Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. The City adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for all major funds to demonstrate compliance with the budget requirement.

Other Information:

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

***** **Financial Analysis of the City as a Whole**

Net Position

Net position may serve as a useful indicator of a government's financial position. In the case of the City of La Junta, assets exceeded liabilities by \$62,430,788 in 2017 compared to \$62,562,112 in 2016. By far the largest portion of the City's net position (74%) reflects the net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position is designed to reflect the net position that is subject to restrictions beyond the City's control. Unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors. The City is able to report positive balances in all three categories of net positions, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City's combined net position was:

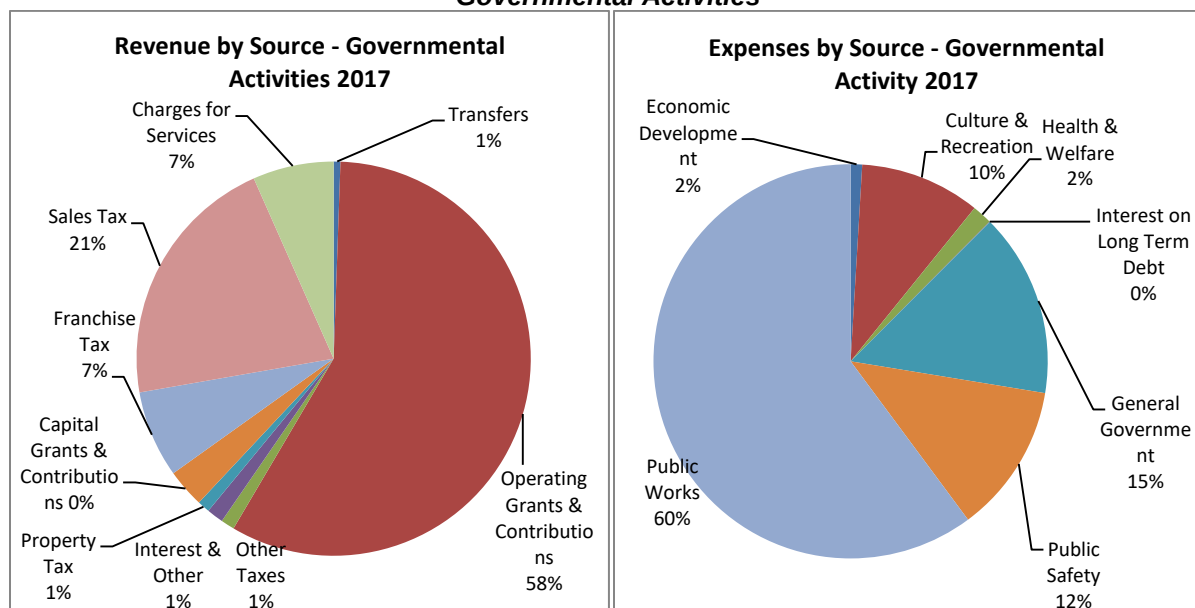
City of La Junta - Combined Net Position as of December 31,

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other	\$11,544,200	\$23,688,082	\$22,186,486	\$24,949,681	\$33,730,686	\$48,637,763
Capital assets	<u>18,019,995</u>	<u>17,960,778</u>	<u>36,150,523</u>	<u>33,099,813</u>	<u>54,170,518</u>	<u>51,060,591</u>
Total Assets	29,564,195	41,648,860	58,337,009	58,049,494	87,901,204	99,698,354
Deferred Outflows	<u>195,821</u>	<u>160,781</u>	-	-	<u>195,821</u>	<u>160,781</u>
Total Assets and Deferred Outflow	<u>\$29,760,016</u>	<u>\$41,809,641</u>	<u>\$58,337,009</u>	<u>\$58,049,494</u>	<u>\$88,097,025</u>	<u>\$99,859,135</u>
Liabilities:						
Long-term debt	\$ 2,331,731	\$ 2,304,553	\$16,769,224	\$18,136,036	\$ 19,100,955	\$ 20,440,589
Other liabilities	<u>1,647,693</u>	<u>13,505,062</u>	<u>4,815,689</u>	<u>3,248,472</u>	<u>6,463,382</u>	<u>16,753,534</u>
Total Liabilities	<u>3,979,424</u>	<u>15,809,615</u>	<u>21,584,913</u>	<u>21,384,508</u>	<u>25,564,337</u>	<u>37,194,123</u>
Deferred Inflows	<u>101,900</u>	<u>102,900</u>	-	-	<u>101,900</u>	<u>102,900</u>
Net Position:						
Net investment in capital assets	17,807,637	17,960,778	28,598,518	26,395,249	46,406,155	44,356,027
Restricted	831,933	696,434	794,000	783,400	1,625,933	1,479,834
Unrestricted	<u>7,039,122</u>	<u>7,239,914</u>	<u>7,359,578</u>	<u>9,486,337</u>	<u>14,398,700</u>	<u>16,726,251</u>
Total Net Position	<u>25,678,692</u>	<u>25,897,126</u>	<u>36,752,096</u>	<u>36,664,986</u>	<u>62,430,788</u>	<u>62,562,112</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$29,760,016</u>	<u>\$41,809,641</u>	<u>\$58,337,009</u>	<u>\$58,049,494</u>	<u>\$88,097,025</u>	<u>\$99,859,135</u>

Restrictions in the governmental activities include \$243,000 for statutory reserves for emergencies by TABOR.

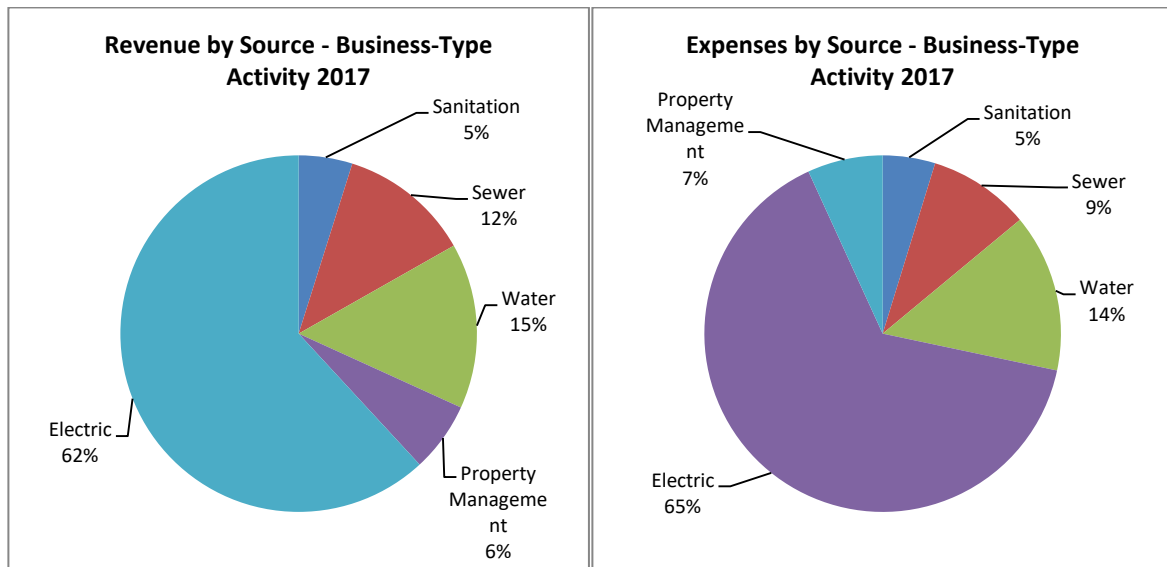
Changes in Net Position

Governmental Activities



- Governmental activities decreased the City of La Junta's net position by \$218,434 in 2017 compared to a decrease of \$1,127,587 in 2016. This was due to a decrease in operating grants and contributions from the prior year as well as the decrease in expenses in Public Works.
- Tax revenues are comprised of property tax, sales and use tax, franchise tax, and other taxes. Sales tax totaled 69% of all taxes and 18% of all governmental activity revenue. The property tax rate is 3.104 mills. It has remained unchanged for over 34 years. Property tax is 3% of all taxes and 1% of the governmental activity revenue.

Business-type activities



- The business-type activities include the Electric, Water, Sewer, Sanitation, and Property Management Funds.
- In the business-type activities, the net position change after transfers and special items was \$87,110 in 2017 compared to \$496,410 in 2016.

Charges for services for the business-type activities for 2017 and 2016 are as follows:

	2017	2016
Electric	\$ 11,278,773	\$ 11,149,774
Water	2,736,743	2,900,293
Sewer	2,173,121	2,152,828
Sanitation	887,447	878,355
Property Management	<u>1,153,819</u>	<u>1,009,819</u>
Total Charges for Services	<u>\$ 18,229,903</u>	<u>\$ 18,091,069</u>

Electric charges difference is due to energy cost adjustment from buying medium term power from the grid while power plant is under review and increased customer usage.

The following table reflects a condensed summary of activities and changes in net position:

City of La Junta - Changes in Net Position as of December 31,

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Revenues						
Charges for Services	\$ 1,195,070	\$ 1,296,286	\$18,229,903	\$18,091,069	\$19,424,973	\$19,387,355
Operating Grants & Contributions	10,427,307	13,433,547	-	-	10,427,307	13,433,547
Capital Grants & Contributions	565,777	38,253	14,450	51,055	580,227	89,308

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Revenues						
Property Tax	182,320	161,213	-	-	182,320	161,213
Sales Tax	3,799,659	3,735,048	-	-	3,799,659	3,735,048
Franchise Tax	1,283,500	1,296,494	-	-	1,283,500	1,296,494
Other Taxes	201,159	197,053	-	-	201,159	197,053
Interest	35,195	15,320	72,216	74,156	107,411	89,476
Other & Rentals	<u>210,950</u>	<u>180,858</u>	<u>44,935</u>	<u>481,279</u>	<u>255,885</u>	<u>662,137</u>
Total Revenues	<u>\$17,900,937</u>	<u>\$20,354,072</u>	<u>\$18,361,504</u>	<u>\$18,697,559</u>	<u>\$36,262,441</u>	<u>\$39,051,631</u>
Expenses						
General Government	\$ 2,748,276	\$ 2,435,359	\$ -	\$ -	\$ 2,748,276	\$ 2,435,359
Public Safety	2,233,903	2,175,926	-	-	2,233,903	2,175,926
Public Works	10,960,014	14,757,046	-	-	10,960,014	14,757,046
Health & Welfare	297,499	303,533	-	-	297,499	303,533
Culture & Recreation	1,800,652	1,727,439	-	-	1,800,652	1,727,439
Economic Development	171,632	160,450	-	-	171,632	160,450
Interest-Long Term Debt	7,137	9,273	-	-	7,137	9,273
Electric	-	-	11,947,677	11,746,464	11,947,677	11,746,464
Water	-	-	2,532,179	2,596,666	2,532,179	2,596,666
Sewer	-	-	1,741,749	1,670,526	1,741,749	1,670,526
Sanitation	-	-	774,651	862,130	774,651	862,130
Property Management	-	-	1,340,246	1,237,996	1,340,246	1,237,996
Total Expenses	<u>18,219,113</u>	<u>\$21,569,026</u>	<u>18,336,502</u>	<u>18,113,782</u>	<u>36,555,615</u>	<u>39,682,808</u>
Excess (Deficiency) Before Transfers and Special Items	(318,176)	\$(1,214,954)	25,002	583,777	(293,174)	(631,177)
Transfers In (Out)	99,742	87,367	(99,742)	(87,367)	-	-
Special Items	<u>-</u>	<u>-</u>	<u>161,850</u>	<u>-</u>	<u>161,850</u>	<u>-</u>
Change in Net Position	(218,434)	(1,127,587)	87,110	496,410	(131,324)	(631,177)
Net Position - Beginning	<u>25,897,126</u>	<u>27,024,713</u>	<u>36,664,986</u>	<u>36,168,576</u>	<u>62,562,112</u>	<u>63,193,289</u>
Net Position Ending	<u>\$25,678,692</u>	<u>\$25,897,126</u>	<u>\$36,752,096</u>	<u>\$36,664,986</u>	<u>\$ 62,430,788</u>	<u>\$62,562,112</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of La Junta uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the City of La Junta's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year. As of the end of the year, the City's governmental funds reported a combined fund balance of \$6,629,179 in 2017 compared to \$7,044,602 in 2016. This is a decrease of \$415,423. Of that fund balance, \$3,591,527 in 2017 compared to \$3,862,619 in 2016 constitutes unassigned fund balance, which is available for spending at the government's discretion. This is a decrease of \$271,092. Restricted and Nonspendable fund balances increased to \$831,933 in 2017 from \$700,608 in 2016.

The fund balance is restricted to indicate that it is not available for new spending because it has already been committed for 1) receivables not currently available \$75,787, 2) permanent endowments \$357,412 3) for a state constitution mandated emergency reserve-TABOR \$243,000, 4) conservation trust \$79,495 and 5) cash restricted for airport improvements \$76,239.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,591,527 in 2017 compared to \$3,873,771 in 2016, while the total fund balance was \$5,074,466 in 2017 compared to \$5,464,227 in 2016. The General Fund had revenues under expenditures in the amount of \$389,761 in 2017 compared to revenues under expenditures in 2016 in the amount of \$450,154.

The **Southwest Amtrak Improvement Fund** is a special revenue fund used to account for the revenues and expenditures made and received for the Southwest Chief Route Advancement and Improvement Project. This is a reimbursement grant therefore in 2017 both revenue and expenditures recognized were \$9,812,156 compared to \$12,905,976 in 2016. As of December 31, 2017 and 2016, receivables in the amount of \$568,824 and \$11,656,976 were recognized from Federal and Non-Federal sources.

Individual fund data for each of the **non-major** governmental funds is provided in the form of **combining statements** elsewhere in the report. The non-major governmental funds include the Special Revenue and Permanent Funds. The Special Revenue Funds are the Conservation Trust, Economic Development Fund, Urban Renewal Authority, La Junta Capital Inc., Moving Violation Surcharge, and Lodging Tax Tourism Fund. The Permanent Funds are the Library and Cemetery Endowments.

PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements. All of the City's proprietary funds are major funds. The funds include Electric, Water, Sewer, Sanitation, and Property Management.

The unrestricted net position balances and the change in net positions of the City's proprietary funds are reflected in the following table:

	<u>Change in Net Position – Proprietary Funds</u>			
	Unrestricted Net Position		Change in Net Position	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Major Enterprise Funds</u>				
Electric	\$ 7,031,532	\$ 7,618,612	\$ (537,289)	\$ (430,489)
Water	450,627	434,416	244,797	395,126
Sewer	(1,810,383)	(21,645)	423,332	722,858
Sanitation	1,142,029	781,732	246,853	6,517
Property Management	<u>(439,205)</u>	<u>(300,492)</u>	<u>(301,847)</u>	<u>(287,600)</u>
Total Enterprise Funds	<u>\$ 6,374,600</u>	<u>\$ 8,512,623</u>	<u>\$ 75,846</u>	<u>\$ 406,412</u>

INTERNAL SERVICES FUNDS

Internal services funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City's internal service funds are used to account for a self-insured health benefit plan and a capital equipment acquisition program.

The **Employee Benefit Fund** is an internal service fund used to account for the City's self-insured health benefit program. Revenues to support the program originate from two primary sources:

1. Employee contributions toward the cost of the health benefit program premiums,
2. City contributions toward the cost of the health benefit program premiums.

Expenses include claims, stop-loss premiums and plan administration for a health benefit program for employees and their families.

Reserves, as they relate to the health benefit program, should be increased to provide financial stability for the self-funded risk program.

In 2017, operating revenues in the Employee Benefit Fund increased by \$103,914 (9%) due to an increase in the amount of employees enrolled in the city offered benefit. Operating expenses for the Employee Benefit fund increased \$274,111.

The **City Services Fund** is used as a resource base to purchase requested equipment (over \$5,000) for the various departments. Assets are purchased through the fund, amortized costs are then charged to each department as a "rental charge." When an item needs replaced, adequate funds have been generated through the on-going rental fees to make a replacement purchase. Revenues totaled \$1,094,034 in 2017 compared to \$1,034,934 in 2016. Increases are due to the adjustments in maintenance, fuel prices, and computer services that are paid by the city departments. The change in net position was (\$14,992) in 2017 compared to \$3,998 in 2016.

BUDGETARY HIGHLIGHTS

- In 2017, the City of La Junta finished updating the Comprehensive Plan, started building a New Wastewater Treatment plant, started demolition of vacant and burnt houses, worked with SECOM/Southeast Colorado Power on an asset exchange project, and further progressed on the clearing of the Anderson Arroyo to help pass floods and clear for a trail.
- The City of La Junta and SECOM/Southeast Colorado Power did an asset exchange where we exchanged the CenturyTel building located at the Industrial Park and some land to the east for SECOM/Southeast Administration building and motor pool and conference building on west 3rd Street and the Southeast crew shops located behind the Holiday Inn Express on Dalton Avenue.
- Secom/Southeast Colorado Power remodeled the CenturyTel building into a beautiful administration building that will fit their growing needs for years to come. They also built a 30,000 square foot shop for both SECOM/Southeast crews.
- Tri-County leased, with option to buy, the motor pool and conference building to open up a new Chrysler Dodge Jeep Ram dealership. Southeast Health Group leased, with option to buy, the administration building to help with their growing needs.
- The Otero County Commissioners received a grant to help purchase the crew shop on Dalton Ave. to relocate the District 1 road and bridge crew on 3rd and Lawrence Avenue. This is a great example of government, private sector, and a non-profit working together to better our community.
- The City helped the community after a storm wreaked havoc on the trees. We rented a big tree chipper to mulch the large pile of trees.
- The City broke ground on a new Wastewater Treatment plant that will meet EPA regulations and ensure that we are good stewards of our water sources. This project will be completed by 2020.
- Joe Kelley, Director of Water, Wastewater, and Motor Pool retired at the end of the year. Joe served our community well from the first day that he came to the City in 1992. He was instrumental in the construction of the Reverse Osmosis Water Treatment plant and new Wastewater Treatment plant as well as ensuring a future water supply with the purchase of water rights along the Holbrook Canal and the keeping of the conduit project that will help 42 communities in Southeast Colorado meet water standards with a pipeline out of Pueblo Reservoir.
- The City rented an excavator to help us clear the debris out of the Anderson Arroyo, but also used it to build sections of a trail system along it. We had planning meetings with the help of National Park Service to guide us on formulating a comprehensive trail system. We should have the planning documents in 2018 to start going for funding by the end of the year.
- We used the excavator to demolish four vacant or burnt out structures. We worked with the landowners of the buildings that didn't have asbestos to accomplish this at minimal costs. Urban Renewal demolished the Book Stop building located on Santa Fe Avenue between 3rd and 4th Streets. The City also demolished a burnt building along 3rd Street. We are working on getting an EPA grant to help with costs on some of the other buildings that need to be demolished.
- The Utility Board put into place a dormant fee for properties that turn their utilities shut off. This will help us ensure everyone is paying for the maintenance of Electric, Water and Wastewater systems. This will help keep our rates down.
- The City hired Cynthia Nieb for Economic Development/Urban Renewal Director. Cynthia helped the City rebuild the WPA wall around City Park. Cynthia was Director of the Colorado Historical Fund. She is a true champion that will help us move forward on bringing more opportunities and life into our downtown and for current and future industries.
- The City worked with Reach Air Ambulance to build a hangar to house their helicopters.
- The City relocated the driving range behind the club house and made enhancements to the course to better serve its members.
- The City worked with FAA and CDOT to rehabilitate one of the taxiways at the Airport. The City also replaced the swimming pool liner and help residences through a 50/50 sidewalk replacement program.

- The City embarked on making sure we were more efficient by utilizing our accounting software to its fullest abilities and putting in automatic reading meters. This has helped the entire City make sure we are being consistent with our billings, reduce paper use and have proper checks and balances on our finances.
- We started a GIS system to better serve our customers in making better decisions for maintenance, replacement and increase knowledge of our infrastructure.
- The City worked with the community to create the Hospital Service District to build a new skilled Nursing facility. This election passed by over 80% to increase the sales tax by 1% to accomplish this.
- The City continued its work on Amtrak's Southwest Chief with TIGER 7 that the City was the sponsor of \$24.5 million grant. All work was completed by the end of 2017 and a new grant for TIGER 9 with Colfax County, New Mexico taking the lead was submitted.
- At the end of the year, Southeast Health built a 9 hole disc golf course on the South side of 10th Street along the East side of the Anderson Arroyo on City property known as the Clay Hills.

Supplemental Budget Appropriations were made for the following funds:

- General Fund
 - Police HVAC system
 - City Hall boiler replacement
 - USDA
 - Tree chipper rental
 - Significant equipment repairs
 - Plotter
- Internal Service Fund
 - New gas system
 - Cleaning of fuel tanks
- Property Management Fund
 - Care Connect – Hanger
 - Tower
 - Other Income – reimbursement from Care Connect
- Electric Utility Fund
 - Critical loads
 - Electric plant roof repairs
- Water Utility Fund
 - Supplemental water – Holbrook expenses

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had invested \$46,406,155 compared to \$44,356,027 in 2016, in a broad range of capital assets, including land, equipment, buildings, electric, water, and sewer lines. The change is due to more acquisitions, the continued construction on the new waste-water treatment facility, fewer disposals of assets and the increase in depreciation expense.

Long-term Debt

The City has long-term debt for the water lines and treatment facility as well as sewer lagoons and sewer facility. More detailed information is presented in Note 7.

ECONOMIC FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

- Factors, which have the potential to significantly impact the City's 2018 budget, include the on-going world-wide economic conditions and federal appropriations with new administration that concerns us as well as the nation. Rising costs of health insurance, increasing fuel costs, subsequent reductions in funding, rising cost of purchasing electricity, and increasingly restrictive EPA regulations on water and wastewater. Also, the additional water loss from farms to the Front Range.

- Colorado's economy is growing fast. Historically, La Junta has not experienced the booming economy that much of Colorado has experienced during the good times. Its economic trends have been relatively status quo, and the significant impacts are negative ones that have impacted us so drastically the last few years. The downward population trends can have long-term impacts, if not reversed.
- Water conservation began in 2003 and shortage of water has been a factor. The City has purchased 887.70 shares of Holbrook Canal. The City is currently working on converting these water rights for beneficial use.
- The Lamar Repowering project will have long term effect to our customers through the electric rates charged to ARPA member cities until 2042. The settlement of the Lamar lawsuit will affect the communities negatively.
- Saving Amtrak's Southwest Chief from being cut along with all of the long distance trains. We will not have the ability to access the nation's passenger rail system if this is discontinued. We have formed a coalition that is working closely with Amtrak, BNSF, CDOT, KDOT, NMDOT and the affected communities to secure funding to replace the needed rail infrastructure. This is still an ongoing project. We have been successful for a record three TIGER grants.
- The construction of a new wastewater treatment plant will affect the next couple of year's financials. The project is on schedule.
- La Junta passed the formation of the La Junta Health Service District and the increase of sales tax by 1%. This new funding will be used to construct a new nursing home to meet today's standards.
- The increase of Minimum wage up to \$12 per hour by 2020 is having a negative effect of our ability to perform services as in the past.
- We see growth with our industries and the housing market is booming as we see people from the front range starting to relocate here.

REQUESTS FOR INFORMATION

This financial report is designed to provide the City's citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report and requests for additional financial information can be obtained by contacting the City Manager at P.O. Box 489, 601 Colorado Avenue, La Junta, CO 81050.

BASIC FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH OR EQUIVALENTS	\$ 10,411,212	\$ 6,745,047	\$ 17,156,259
RESTRICTED CASH	76,239	-	76,239
CASH WITH TRUSTEE	-	10,340,168	10,340,168
RECEIVABLES - NET			
ACCOUNTS	1,273,882	1,909,759	3,183,641
TAXES	544,224	-	544,224
NOTES	75,787	-	75,787
OTHER	18,151	-	18,151
DUE FROM (TO) OTHER FUND	12,403	(12,403)	-
INTERNAL BALANCES	(984,978)	984,978	-
INVENTORIES	117,280	2,189,576	2,306,856
DEPOSITS	-	29,361	29,361
CAPITAL ASSETS			
LAND AND WATER RIGHTS	1,222,765	3,120,856	4,343,621
CONSTRUCTION IN PROGRESS	55,930	5,592,664	5,648,594
BUILDINGS	7,547,695	33,586,265	41,133,960
SYSTEMS	-	33,903,473	33,903,473
IMPROVEMENTS	6,617,164	-	6,617,164
EQUIPMENT	5,525,269	5,045,271	10,570,540
INFRASTRUCTURE	32,581,909	-	32,581,909
ACCUMULATED DEPRECIATION	(35,530,737)	(45,098,006)	(80,628,743)
TOTAL ASSETS	29,564,195	58,337,009	87,901,204
DEFERRED OUTFLOWS OF RESOURCES			
PENSION RELATED	195,821	-	195,821
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 29,760,016	\$ 58,337,009	\$ 88,097,025
LIABILITIES			
ACCOUNTS PAYABLE	\$ 1,471,178	\$ 2,394,151	\$ 3,865,329
ACCRUED EXPENSES	4,663	221,501	226,164
CUSTOMERS DEPOSITS	-	134,676	134,676
UNEARNED REVENUES	5,000	839,719	844,719
DUE TO OTHER ENTITIES	139,555	-	139,555
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	27,297	1,225,642	1,252,939
DUE IN MORE THAN ONE YEAR	2,331,731	16,769,224	19,100,955
TOTAL LIABILITIES	3,979,424	21,584,913	25,564,337
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES - PROPERTY TAXES	101,900	-	101,900
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	17,807,637	28,598,518	46,406,155
RESTRICTED FOR:			
EMERGENCIES - TABOR	243,000	-	243,000
RESTRICTED ASSETS	76,239	-	76,239
NON EXPENDABLE NOTES	75,787	-	75,787
NON EXPENDABLE ENDOWMENTS	357,412	-	357,412
CONSERVATION TRUST	79,495	-	79,495
OPERATIONS & MAINTENANCE	-	794,000	794,000
UNRESTRICTED	7,039,122	7,359,578	14,398,700
TOTAL NET POSITION	25,678,692	36,752,096	62,430,788
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 29,760,016	\$ 58,337,009	\$ 88,097,025

CITY OF LA JUNTA, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 2,748,276	\$ 579,999	\$ 64,000	\$ -
PUBLIC SAFETY	2,233,903	110,217	-	10,389
PUBLIC WORKS	10,960,014	248,073	10,141,543	555,388
HEALTH AND WELFARE	297,499	47,604	-	-
CULTURE AND RECREATION	1,800,652	209,177	221,764	-
ECONOMIC DEVELOPMENT	171,632	-	-	-
INTEREST ON LONG TERM DEBT	7,137	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	18,219,113	1,195,070	10,427,307	565,777
BUSINESS-TYPE ACTIVITIES:				
ELECTRIC	11,947,677	11,278,773	-	-
WATER	2,532,179	2,736,743	-	13,650
SEWER	1,741,749	2,173,121	-	800
SANITATION	774,651	887,447	-	-
PROPERTY MANAGEMENT	1,340,246	1,153,819	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	18,336,502	18,229,903	-	14,450
TOTAL PRIMARY GOVERNMENT	\$ 36,555,615	\$ 19,424,973	\$ 10,427,307	\$ 580,227

GENERAL REVENUES:

PROPERTY TAXES
 SALES TAXES
 FRANCHISE TAXES
 OTHER TAXES
 INTEREST
 MISCELLANEOUS AND RENTALS
 TRANSFERS
 SPECIAL ITEMS

TOTAL GENERAL REVENUES, TRANSFERS
 AND SPECIAL ITEMS

CHANGE IN NET POSITION

NET POSITION JANUARY 1

NET POSITION DECEMBER 31

SEE NOTES TO FINANCIAL STATEMENTS

NET (EXPENSES) REVENUE
AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (2,104,277)	\$ -	\$ (2,104,277)
(2,113,297)	-	(2,113,297)
(15,010)	-	(15,010)
(249,895)	-	(249,895)
(1,369,711)	-	(1,369,711)
(171,632)	-	(171,632)
(7,137)	-	(7,137)
<u>(6,030,959)</u>	<u>-</u>	<u>(6,030,959)</u>
-	(668,904)	(668,904)
-	218,214	218,214
-	432,172	432,172
-	112,796	112,796
-	(186,427)	(186,427)
<u>-</u>	<u>(92,149)</u>	<u>(92,149)</u>
<u>(6,030,959)</u>	<u>(92,149)</u>	<u>(6,123,108)</u>
182,320	-	182,320
3,799,659	-	3,799,659
1,283,500	-	1,283,500
201,159	-	201,159
35,195	72,216	107,411
210,950	44,935	255,885
99,742	(99,742)	-
-	161,850	161,850
<u>5,812,525</u>	<u>179,259</u>	<u>5,991,784</u>
(218,434)	87,110	(131,324)
<u>25,897,126</u>	<u>36,664,986</u>	<u>62,562,112</u>
<u>\$ 25,678,692</u>	<u>\$ 36,752,096</u>	<u>\$ 62,430,788</u>

CITY OF LA JUNTA, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2017

	GENERAL	SOUTHWEST AMTRAK IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH OR EQUIVALENTS	\$ 4,611,851	\$ 214,277	\$ 1,505,175	\$ 6,331,303
RESTRICTED CASH	76,239	-	-	76,239
RECEIVABLES				
ACCOUNTS AND GRANTS	615,238	568,824	-	1,184,062
TAXES	533,386	-	10,838	544,224
NOTES	-	-	75,787	75,787
OTHER	1,927	-	15,018	16,945
DUE FROM (TO) OTHER FUNDS	51,378	-	(38,975)	12,403
TOTAL ASSETS	<u>\$ 5,890,019</u>	<u>\$ 783,101</u>	<u>\$ 1,567,843</u>	<u>\$ 8,240,963</u>
LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 713,653	\$ 597,546	\$ 8,130	\$ 1,319,329
UNEARNED REVENUE	-	-	5,000	5,000
DUE TO OTHER ENTITIES	-	185,555	-	185,555
TOTAL LIABILITIES	<u>713,653</u>	<u>783,101</u>	<u>13,130</u>	<u>1,509,884</u>
DEFERRED INFLOWS OF RESOURCES				
DEFERRED REVENUES - PROPERTY TAXES	101,900	-	-	101,900
FUND BALANCE				
NONSPENDABLE FOR NOTES	-	-	75,787	75,787
RESTRICTED FOR				
EMERGENCIES - TABOR	243,000	-	-	243,000
RESTRICTED ASSETS	76,239	-	-	76,239
CONSERVATION TRUST	-	-	79,495	79,495
ENDOWMENTS	-	-	357,412	357,412
ASSIGNED	1,163,700	-	1,042,019	2,205,719
UNASSIGNED	3,591,527	-	-	3,591,527
TOTAL FUND BALANCES	<u>5,074,466</u>	<u>-</u>	<u>1,554,713</u>	<u>6,629,179</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 5,890,019</u>	<u>\$ 783,101</u>	<u>\$ 1,567,843</u>	<u>\$ 8,240,963</u>

CITY OF LA JUNTA, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2017

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
ARE DIFFERENT BECAUSE:

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$	6,629,179
ASSETS NOT AVAILABLE FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE NOT REPORTED IN FUNDS			
LONG TERM RECEIVABLES	\$	131,315	
DEFERRED OUTFLOWS - PENSION RELATED AMOUNTS		<u>195,821</u>	
			327,136
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.			
THE COST OF CAPITAL ASSETS IS		48,786,007	
ACCUMULATED DEPRECIATION IS		<u>(32,196,125)</u>	
			16,589,882
INVENTORIES ARE EXPENSED IN THE GOVERNMENTAL FUNDS UPON ACQUISITION BUT RECOGNIZED AS AN ASSET IN THE GOVERNMENT WIDE FINANCIAL STATEMENTS			68,110
INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COSTS OF CERTAIN INFORMATION SYSTEMS, OTHER EQUIPMENT AND MEDICAL BENEFIT COSTS TO INDIVIDUAL FUNDS. THE ASSETS AND LIABILITIES OF THE INTERNAL SERVICES FUNDS ARE INCLUDED IN GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION.			4,306,930
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.			
COMPENSATED ABSENCES		(897,116)	
LOAN PAYABLE DEVELOPER		(212,358)	
ACCRUED INTEREST ON THE LOAN		(4,663)	
NET PENSION LIABILITIES		<u>(1,128,408)</u>	
			<u>(2,242,545)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>25,678,692</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2017

	GENERAL	SOUTHWEST AMTRAK IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	\$ 5,223,130	\$ -	\$ 243,477	\$ 5,466,607
LICENSES AND PERMITS	14,833	-	-	14,833
INTERGOVERNMENTAL	1,105,051	9,812,156	68,041	10,985,248
CHARGES FOR SERVICES	1,195,070	-	-	1,195,070
FINES	26,949	-	-	26,949
INTEREST	18,968	-	7,694	26,662
MISCELLANEOUS AND RENTALS	134,147	-	1,656	135,803
TOTAL REVENUES	7,718,148	9,812,156	320,868	17,851,172
EXPENDITURES				
GENERAL GOVERNMENT	2,616,754	13,202	236,435	2,866,391
PUBLIC SAFETY	2,160,825	-	-	2,160,825
PUBLIC WORKS	1,268,098	-	-	1,268,098
HEALTH AND WELFARE	300,780	-	-	300,780
CULTURE AND RECREATION	1,771,452	-	-	1,771,452
ECONOMIC DEVELOPMENT	-	-	171,632	171,632
DEBT SERVICE	-	-	69,406	69,406
SPECIAL PROJECT	-	9,798,954	-	9,798,954
TOTAL EXPENDITURES	8,117,909	9,812,156	477,473	18,407,538
REVENUES OVER (UNDER) EXPENDITURES	(399,761)	-	(156,605)	(556,366)
OTHER FINANCING SOURCES (USES)				
CONTRIBUTIONS	-	-	7,836	7,836
TRANSFERS IN	10,000	-	89,742	99,742
OTHER	-	-	33,365	33,365
TOTAL OTHER FINANCING SOURCES (USES)	10,000	-	130,943	140,943
NET CHANGE IN FUND BALANCE	(389,761)	-	(25,662)	(415,423)
FUND BALANCE JANUARY 1	5,464,227	-	1,580,375	7,044,602
FUND BALANCE DECEMBER 31	\$ 5,074,466	\$ -	\$ 1,554,713	\$ 6,629,179

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO

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

YEAR ENDED DECEMBER 31, 2017

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
ARE DIFFERENT BECAUSE:

NET CHANGE IN FUND BALANCE	\$ (415,423)
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REVENUES IN THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE
CURRENT FINANCIAL RESOURCES ARE NOT REPORTED AS REVENUES IN THE FUNDS

RECEIVABLE FOR FRANCHISE TAX - NOT CURRENT	\$ 31	
RECEIVABLE FROM OTHER ENTITIES	<u>46,000</u>	46,031

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 OUTLAYS DIFFER FROM DEPRECIATION IN THE CURRENT PERIOD.

CAPITAL OUTLAY	1,019,144	
DEPRECIATION EXPENSE AND LOSS ON DISPOSITION	<u>(967,624)</u>	51,520

SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE
USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE, ARE NOT REPORTED AS
EXPENDITURES IN THE GOVERNMENTAL FUNDS

COMPENSATED ABSENCES	(20,763)	
PAYMENTS ON NOTE TO DEVELOPER FOR ELIGIBLE REIMBURSEMENT COSTS	51,857	
ACCRUED INTEREST EXPENSE ON LOAN	10,412	
PENSION RELATED AMOUNTS	<u>4,584</u>	46,090

INVENTORIES ARE EXPENSED AT ACQUISITION IN THE GOVERNMENTAL FUNDS AND REPORTED AS EXPENSES WHEN USED IN THE GOVERNMENT WIDE STATEMENTS	28,410
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INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COSTS OF
CERTAIN INFORMATION SYSTEMS, OTHER EQUIPMENT AND MEDICAL BENEFIT COSTS
TO INDIVIDUAL FUNDS.

THE NET REVENUE OF CERTAIN ACTIVITIES OF THE INTERNAL SERVICE FUNDS IS REPORTED WITH THE GOVERNMENTAL ACTIVITIES.	<u>24,938</u>
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CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (218,434)</u></u>
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CITY OF LA JUNTA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2017

	BUSINESS-TYPE ACTIVITIES -		
	ELECTRIC	WATER	SEWER
CURRENT ASSETS			
CASH OR EQUIVALENTS	\$ 4,021,940	\$ 500,152	\$ 94,881
CASH WITH TRUSTEE	-	-	10,340,168
ACCOUNTS RECEIVABLE CUSTOMERS - NET	1,268,363	237,495	264,333
GRANT RECEIVABLE	-	-	-
BORROWINGS TO (FROM) OTHER FUND - CURRENT	134,859	-	-
INVENTORIES	1,725,885	435,540	19,151
PREPAIDS AND ACCRUALS	3,555	25,649	-
TOTAL CURRENT ASSETS	7,154,602	1,198,836	10,718,533
PROPERTY AND EQUIPMENT			
LAND, SYSTEMS, AND EQUIPMENT	17,557,122	25,809,216	17,882,096
ACCUMULATED DEPRECIATION	(13,890,795)	(12,632,495)	(9,173,229)
NET PROPERTY AND EQUIPMENT	3,666,327	13,176,721	8,708,867
OTHER ASSETS			
BORROWINGS TO (FROM) OTHER FUND	1,111,053	-	-
TOTAL ASSETS	\$ 11,931,982	\$ 14,375,557	\$ 19,427,400
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	\$ 758,360	\$ 10,041	\$ 1,573,894
ACCRUED EXPENSES	-	62,589	108,641
DUE TO OTHER FUND	2,908	2,908	2,120
CUSTOMERS DEPOSITS	134,676	-	-
UNEARNED REVENUE	-	8,458	-
LANDFILL COSTS	-	-	-
LOANS PAYABLE	-	667,411	542,271
TOTAL CURRENT LIABILITIES	895,944	751,407	2,226,926
NONCURRENT LIABILITIES			
ACCRUED SICK LEAVE AND VACATION PAY	338,179	188,213	186,093
UNEARNED REVENUE	-	-	-
LANDFILL COSTS	-	-	-
LOANS PAYABLE	-	3,600,382	11,836,197
TOTAL NONCURRENT LIABILITIES	338,179	3,788,595	12,022,290
TOTAL LIABILITIES	1,234,123	4,540,002	14,249,216
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	3,666,327	8,908,928	6,670,567
RESTRICTED FOR:			
OPERATIONS & MAINTENANCE	-	476,000	318,000
UNRESTRICTED	7,031,532	450,627	(1,810,383)
TOTAL NET POSITION	10,697,859	9,835,555	5,178,184
TOTAL LIABILITIES AND NET POSITION	\$ 11,931,982	\$ 14,375,557	\$ 19,427,400

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITY
SANITATION	PROPERTY MANAGEMENT	TOTAL	INTERNAL SERVICE FUNDS
\$ 1,608,867	\$ 519,207	\$ 6,745,047	\$ 4,079,909
-	-	10,340,168	-
95,630	43,938	1,909,759	4,505
-	-	-	-
-	(134,859)	-	-
9,000	-	2,189,576	49,170
157	-	29,361	1,206
1,713,654	428,286	21,213,911	4,134,790
827,463	19,172,632	81,248,529	4,764,725
(576,744)	(8,824,743)	(45,098,006)	(3,334,612)
250,719	10,347,889	36,150,523	1,430,113
-	(1,111,053)	-	-
\$ 1,964,373	\$ 9,665,122	\$ 57,364,434	\$ 5,564,903
\$ 6,411	\$ 45,445	\$ 2,394,151	\$ 151,849
-	50,271	221,501	-
3,346	1,121	12,403	-
-	-	134,676	-
-	41,738	50,196	-
15,960	-	15,960	-
-	-	1,209,682	-
25,717	138,575	4,038,569	151,849
29,868	74,252	816,605	121,146
-	789,523	789,523	-
516,040	-	516,040	-
-	-	15,436,579	-
545,908	863,775	17,558,747	121,146
571,625	1,002,350	21,597,316	272,995
250,719	9,101,977	28,598,518	1,430,113
-	-	794,000	-
1,142,029	(439,205)	6,374,600	3,861,795
1,392,748	8,662,772	35,767,118	5,291,908
\$ 1,964,373	\$ 9,665,122	\$ 57,364,434	\$ 5,564,903

CITY OF LA JUNTA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2017

	BUSINESS-TYPE ACTIVITIES -		
	ELECTRIC	WATER	SEWER
OPERATING REVENUES			
CHARGES FOR SERVICES	\$ 11,278,773	\$ 2,556,019	\$ 2,173,121
OTHER	-	180,724	-
TOTAL OPERATING REVENUES	11,278,773	2,736,743	2,173,121
OPERATING EXPENSES			
PERSONAL SERVICES, MATERIALS AND SUPPLIES	11,505,483	1,902,485	1,270,655
DEPRECIATION	447,174	506,685	267,955
TOTAL OPERATING EXPENSES	11,952,657	2,409,170	1,538,610
OPERATING INCOME (LOSS)	(673,884)	327,573	634,511
NONOPERATING REVENUES (EXPENSES)			
INTEREST INCOME	68,897	904	350
OTHER	62,698	27,998	9,323
GAIN (LOSS) ON ASSETS	5,000	-	(16,310)
INTEREST EXPENSE	-	(125,328)	(205,342)
TOTAL NONOPERATING REVENUES (EXPENSES)	136,595	(96,426)	(211,979)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS TRANSFERS AND SPECIAL ITEMS	(537,289)	231,147	422,532
CAPITAL CONTRIBUTIONS	-	13,650	800
TRANSFERS (OUT)	-	-	-
SPECIAL ITEMS	-	-	-
CHANGE IN NET POSITION	(537,289)	244,797	423,332
NET POSITION JANUARY 1	11,235,148	9,590,758	4,754,852
NET POSITION DECEMBER 31	\$ 10,697,859	\$ 9,835,555	\$ 5,178,184

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUNDS
SANITATION	PROPERTY MANAGEMENT	TOTAL	
\$ 860,215	\$ 1,153,819	\$ 18,021,947	\$ 2,388,335
27,232	-	207,956	-
887,447	1,153,819	18,229,903	2,388,335
692,666	680,898	16,052,187	2,123,761
83,606	659,489	1,964,909	237,231
776,272	1,340,387	18,017,096	2,360,992
111,175	(186,568)	212,807	27,343
1,165	900	72,216	8,534
-	34,439	134,458	325
(27,337)	(50,876)	(89,523)	-
-	-	(330,670)	-
(26,172)	(15,537)	(213,519)	8,859
85,003	(202,105)	(712)	36,202
-	-	14,450	-
-	(99,742)	(99,742)	-
161,850	-	161,850	-
246,853	(301,847)	75,846	36,202
1,145,895	8,964,619	35,691,272	5,255,706
\$ 1,392,748	\$ 8,662,772	\$ 35,767,118	\$ 5,291,908

CITY OF LA JUNTA, COLORADO

RECONCILIATION OF THE PROPRIETARY FUNDS NET POSITION
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION

DECEMBER 31, 2017

AMOUNTS REPORTED FOR BUSINESS-TYPE ACTIVITIES IN THE STATEMENT OF NET POSITION
ARE DIFFERENT BECAUSE:

TOTAL NET POSITION - PROPRIETARY FUNDS	\$ 35,767,118
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>984,978</u>
NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 36,752,096</u>

RECONCILIATION OF THE STATEMENT OF REVENUES , EXPENSES AND CHANGE
IN NET POSITION OF PROPRIETARY FUNDS TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

AMOUNTS REPORTED FOR BUSINESS-TYPE ACTIVITIES IN THE STATEMENT OF ACTIVITIES
ARE DIFFERENT BECAUSE:

CHANGE IN NET POSITION	\$ 75,846
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>11,264</u>
CHANGES IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 87,110</u>

CITY OF LA JUNTA, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2017

	BUSINESS-TYPE	
	ELECTRIC	WATER
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 11,274,817	\$ 2,552,994
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(11,590,225)	(1,867,886)
OTHER OPERATING REVENUES	-	180,724
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(315,408)	865,832
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
RENTS RECEIVED AND OTHER	62,698	27,998
TRANSFER OUT	-	-
CUSTOMER DEPOSITS	(29,063)	-
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	33,635	27,998
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(468,715)	(99,960)
CASH PROCEEDS FROM INSURANCE AND SALE OF ASSETS	5,000	-
CAPITAL CONTRIBUTED	-	13,650
BORROWINGS TO OTHER FUNDS	129,581	-
PRINCIPAL PAID ON LOANS PAYABLE	-	(651,111)
INTEREST PAID ON LOANS PAYABLE AND OTHER	-	(126,689)
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(334,134)	(864,110)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND LOANS	70,039	520
NET CHANGE IN CASH AND CASH EQUIVALENTS	(545,868)	30,240
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	4,567,808	469,912
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 4,021,940	\$ 500,152
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (673,884)	\$ 327,573
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	447,174	506,685
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE & PREPAIDS	(3,956)	(3,025)
(INCREASE) DECREASE IN INVENTORIES	(23,569)	29,823
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(58,578)	(12,304)
INCREASE (DECREASE) IN ACCRUED EXPENSES	(5,503)	14,172
INCREASE (DECREASE) IN DUE TO/FROM OTHER FUNDS	2,908	2,908
INCREASE (DECREASE) IN DEFERRED REVENUE	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (315,408)	\$ 865,832
SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES		
EQUIPMENT ACQUISITION COSTS IN ACCOUNTS PAYABLE	\$ 28,250	\$ -

SEE NOTES TO FINANCIAL STATEMENTS

ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUND
SEWER	SANITATION	PROPERTY MANAGEMENT	TOTAL	
\$ 2,147,768	\$ 855,962	\$ 1,137,179	\$ 17,968,720	\$ 2,389,400
(1,251,314)	(765,355)	(603,244)	(16,078,024)	(2,152,754)
-	27,232	-	207,956	-
896,454	117,839	533,935	2,098,652	236,646
31,050	-	24,441	146,187	-
-	-	(99,742)	(99,742)	-
-	-	-	(29,063)	-
31,050	-	(75,301)	17,382	-
(2,537,975)	(8,773)	(423,265)	(3,538,688)	(291,778)
-	2,500	9,998	17,498	325
800	-	-	14,450	-
-	-	(129,581)	-	-
(531,932)	-	-	(1,183,043)	-
(209,520)	-	-	(336,209)	-
(3,278,627)	(6,273)	(542,848)	(5,025,992)	(291,453)
350	1,131	900	72,940	8,257
(2,350,773)	112,697	(83,314)	(2,837,018)	(46,550)
12,785,822	1,496,170	602,521	19,922,233	4,126,459
<u>\$ 10,435,049</u>	<u>\$ 1,608,867</u>	<u>\$ 519,207</u>	<u>\$ 17,085,215</u>	<u>\$ 4,079,909</u>
\$ 634,511	\$ 111,175	\$ (186,568)	\$ 212,807	\$ 27,343
267,955	83,606	659,489	1,964,909	237,231
(25,353)	(4,253)	(38,619)	(75,206)	1,065
(2,004)	(3,758)	-	492	(21,619)
292	(33,706)	40,582	(63,714)	(10,630)
18,933	(38,571)	58,650	47,681	3,256
2,120	3,346	(21,578)	(10,296)	-
-	-	21,979	21,979	-
<u>\$ 896,454</u>	<u>\$ 117,839</u>	<u>\$ 533,935</u>	<u>\$ 2,098,652</u>	<u>\$ 236,646</u>
<u>\$ 1,560,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,588,343</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of La Junta (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities.

THE FINANCIAL REPORTING ENTITY

The City of La Junta is a Home Rule City governed by an elected seven member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of La Junta (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Blended component units included within the reporting entity:

La Junta Urban Renewal Authority ("URA")

The La Junta Urban Renewal Authority Board is appointed by Council. Although it is legally separate from the City, the URA is reported as if it were part of the primary government because its main purpose is to apply for and administer State and Federal grants, which are in the name of the City.

La Junta Capital Inc.

La Junta Capital, Inc. is a nonprofit organization with a Council appointed board created to provide loan funds for businesses in exchange for a commitment to hire low and moderate income employees and for the creation of new primary jobs. It is reported as if it were part of the primary government because its main purpose is for the benefit of the City and all assets revert back to the City upon termination of the agreement between the City and La Junta Capital, Inc.

Joint Venture:

Otero County Landfill Inc. ("OCLI")

The City of La Junta is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill Inc. As a participant, the City is responsible for a portion of closure and post closure costs of the landfill. As of December 31, 2017 the City's share of the cost is estimated at \$532,000 or approximately 27% of the total. A complete financial report may be obtained from the administrative offices of Otero County.

Related organizations:

La Junta Housing Authority

The La Junta Housing Authority is governed by a five-member board appointed by the La Junta City Council. The Authority provides housing to certain qualified residents and is principally funded through Federal grants and rental charges. Because these appointments are administrative in nature and control over the organization is at the Federal Government level, the Authority is treated as a related organization of the City rather than a component unit.

Jointly Governed Organizations:

Arkansas River Power Authority ("ARPA")

ARPA was created by an intergovernmental agreement between the cities of La Junta, Lamar, Las Animas, Trinidad, Springfield and Holly to supply their wholesale electric power and energy requirements. Each of the participating municipalities has a residual interest in ARPA's assets upon dissolution that is proportional to total revenue received from each since ARPA was organized.

Based on electric revenues billed from inception to December 31, 2017, the City of La Junta has a residual equity interest in ARPA of approximately 30%. The governing Board of ARPA consists of two members from each municipality. Because it is felt that the City cannot significantly influence the operations of ARPA it is considered a jointly governed organization and not part of the City's reporting entity.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non fiduciary activities of the primary government and its component units. For the most part the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant awards are recorded as revenue when earned. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grant and entitlement awards are recorded as revenue when earned. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund.

Southwest Amtrak Improvement Fund - The Southwest Amtrak Improvement Fund is a special revenue fund used to account for the Southwest Chief Route Advancement and Improvement Project.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

Electric Utility Fund - Accounts for the activities of the City's electric distribution operations.

Water Utility Fund - Accounts for the activities of water treatment and distribution to the residents and businesses of the City.

Sewer Utility Fund - Accounts for the activities of the wastewater collection and treatment system of the City.

Sanitation Utility Fund - Accounts for the activities of the City's trash collection operations.

Property Management Fund - Accounts for rental activities related to City property, most of which is located within the Industrial Park.

Additionally, the government reports the following fund types:

Internal Service Funds - Accounts for data processing and fleet management services as well as medical benefits provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments held in banks.

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

The City may invest in, bonds or other interest bearing obligations issued by or unconditionally guaranteed by the United States, bonds that are the direct obligation of the State of Colorado, or any county, city or school district in the State. The City may also invest in repurchase agreements of any marketable security otherwise authorized by law, where the market value of such security is at all times at least equal to the moneys involved and there is assignment of such security pursuant to current depository regulations.

Investments for the government, as well as for its component units, are reported at fair value based on last quoted market prices.

Restricted Cash

Governmental Funds – The cash represents tax revenue received from the State of Colorado that is restricted for airport improvements.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables/Payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles if required.

The City recognizes as receivable amounts due from utility customers as of year end but not billed due to cycle billings. Recognition is based upon a direct ratio of days in the current period to the total days in each individual billing cycle.

Property Tax Receivable

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2017 since the amounts are measurable but not available until 2018. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

Inventories

Inventories are valued at average cost. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

Water Inventory

The water inventory is carried at the lower of cost or market, with cost determined using the expenses involved in acquiring water held in storage.

Capital Assets

Capital assets, which include property, plant, equipment, and current infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2003. The City defines capital assets as assets with an estimated useful life in excess of two years and an initial, individual cost of more than \$5,000. Such assets are recorded at estimated historical cost or historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The City has included its infrastructure in capital assets.

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

Building, improvements, utility systems, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	
Building and improvements	10-40
Utility systems	20-50
Public domain infrastructure	40-50
Equipment	3-10

Capitalized Interest

Interest expense incurred during construction of capital projects of the enterprise funds is capitalized as a cost of the project. Interest in the amount of \$63,357 was capitalized in the current year.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial 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 which is for pension related amounts.

Pension related amounts include the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, and contributions made subsequent to the measurement date. More information on pension related items is included in Note 10.

In addition to liabilities, the statement of financial 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 one type of item that qualifies for reporting in this category.

The item, property taxes levied for subsequent years, arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

Unearned Revenues

In proprietary funds, unearned revenues represent lease payments received, but not yet earned as the related services have not yet been provided.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and eligible sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types, long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities or proprietary fund type statement of net position.

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

Net pension liabilities, associated with the Old Hire Fire and Police Pension Funds administered by FPPA, represent the City's total pension liabilities less the fiduciary net position. Amounts have been determined using the economic resources measurement focus and the accrual basis of accounting.

Fund Balance/Net Position

In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position”

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

When both restricted and unrestricted resources are available in governmental funds, the City applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

Budgetary Information (Continued)

Prior to September 12, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments. Prior to November 1, the budget is legally enacted through passage of an ordinance.

Revisions that alter the total expenditures of any fund generally must be approved by City Council. Budgeted amounts in the accompanying financial statements include revisions to the original appropriation ordinance.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appropriations lapse at year end and any open purchase items must be reappropriated in the following year.

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2017, the Property Management Fund, Lodging Tax Tourism Fund, Employee Benefit Claim Fund and La Junta Urban Renewal Authority were in violation.

A legal operating budget is not required for certain special revenue funds. Spending in funds which are not subject to legal annual operating budget requirements are controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body. The special revenue fund controlled by spending limits established by the governing body includes the Southwest Amtrak Improvement Fund.

NOTE -2 DEPOSITS AND INVESTMENTS

DEPOSITS:

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2017, \$17,227,612 of the City's bank balance of \$18,237,397 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

INVESTMENTS:

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval.

Credit Risk - State law limits investments for local governments to U.S. treasury issues, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institution have assets in excess of \$1 billion or the highest credit rating from one or more of a nationally recognized rating agency.

NOTE -3 PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUES / UNEARNED REVENUES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

Proprietary funds report unearned revenue in connection with payments received, but not yet earned as the related service has not yet been provided.

At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the funds were as follows:

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>
<u>Governmental Funds:</u>		
General Fund	\$ 101,900	\$ -
Urban Renewal Authority	-	5,000
	<u>\$ 101,900</u>	<u>\$ 5,000</u>
<u>Proprietary Funds:</u>		
Water Utility Fund	\$ -	\$ 8,458
Property Management Fund	-	831,261
	<u>\$ -</u>	<u>\$ 839,719</u>

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Primary Government

	<u>BEGINNING BALANCE</u>	<u>TRANSFERS/ INCREASES</u>	<u>TRANSFERS/ DECREASES</u>	<u>ENDING BALANCE</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 1,222,765	\$ -	\$ -	\$ 1,222,765
Construction in progress	-	55,930	-	55,930
	<u>1,222,765</u>	<u>55,930</u>	<u>-</u>	<u>1,278,695</u>
Capital assets being depreciated				
Buildings	7,530,413	17,282	-	7,547,695
Improvements	6,090,744	785,921	(259,501)	6,617,164
Infrastructure	32,581,909	-	-	32,581,909
Equipment	<u>5,377,880</u>	<u>406,772</u>	<u>(259,383)</u>	<u>5,525,269</u>
	<u>51,580,946</u>	<u>1,209,975</u>	<u>(518,884)</u>	<u>52,272,037</u>
Less accumulated depreciation for				
Buildings	(4,275,272)	(215,368)	-	(4,490,640)
Improvements	(3,288,735)	(182,187)	224,666	(3,246,256)
Infrastructure	(23,397,624)	(409,711)	-	(23,807,335)
Equipment	<u>(3,881,302)</u>	<u>(357,412)</u>	<u>252,208</u>	<u>(3,986,506)</u>
	<u>(34,842,933)</u>	<u>(1,164,678)</u>	<u>476,874</u>	<u>(35,530,737)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 17,960,778</u>	<u>\$ 101,227</u>	<u>\$ (42,010)</u>	<u>\$ 18,019,995</u>

Business-Type Activities:

Capital assets, not being depreciated

Land	\$ 1,008,222	\$ -	\$ -	\$ 1,008,222
Water rights	2,112,634	-	-	2,112,634
Construction in progress	<u>1,466,346</u>	<u>4,126,318</u>	<u>-</u>	<u>5,592,664</u>
	<u>4,587,202</u>	<u>4,126,318</u>	<u>-</u>	<u>8,713,520</u>
Capital assets being depreciated				
Buildings	34,500,607	1,214,616	(2,128,958)	33,586,265
Systems	33,679,603	288,464	(64,594)	33,903,473
Equipment	<u>5,171,929</u>	<u>318,244</u>	<u>(444,902)</u>	<u>5,045,271</u>
	<u>73,352,139</u>	<u>1,821,324</u>	<u>(2,638,454)</u>	<u>72,535,009</u>
Less accumulated depreciation for				
Buildings	(14,954,879)	(1,070,761)	1,226,771	(14,798,869)
Systems	(25,941,998)	(582,202)	64,593	(26,459,607)
Equipment	<u>(3,942,651)</u>	<u>(311,943)</u>	<u>415,064</u>	<u>(3,839,530)</u>
	<u>(44,839,528)</u>	<u>(1,964,906)</u>	<u>1,706,428</u>	<u>(45,098,006)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 33,099,813</u>	<u>\$ 3,982,736</u>	<u>\$ (932,026)</u>	<u>\$ 36,150,523</u>

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General government	\$ 106,602
Public safety	98,818
Public works	441,960
Public health and welfare	3,879
Culture and recreation	276,188

Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets 237,231

Total depreciation expense – governmental activities \$ 1,164,678

Business-Type Activities:

Electric	\$ 447,174
Water	506,685
Sewer	267,955
Sanitation	83,606
Property Management	<u>659,486</u>

Total depreciation expense – business-type activities \$ 1,964,906

NOTE -5 NOTES AND LOANS RECEIVABLE

NOTES/LOAN
RECEIVABLE

Governmental Activities

As part of a grant, La Junta Urban Renewal has taken non-interest bearing, unsecured note receivables from downtown businesses, for store front improvements, due in monthly installments over 36 months.

\$ 75,787

NOTE -6 INTERFUND RECEIVABLES AND PAYABLES, TRANSFERS, AND BORROWINGS

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between the City's funds for the reimbursement of expenditures. Related interfund receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position and will be settled within one year. The composition of due to / from other funds as of December 31, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric Utility	\$ 2,908
General	Water Utility	2,908
General	Sewer Utility	2,120
General	Sanitation Utility	3,346
General	Property Management	1,121
General	Lodging Tax Tourism	<u>39,939</u>
		<u>\$ 52,342</u>
Cemetery Endowment	General	<u>\$ (964)</u>

Interfund Transfers:

Transfers are for the use of unrestricted revenues collected in the property management fund to finance various programs accounted for in other funds in accordance with council authorizations.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 INTERFUND RECEIVABLES AND PAYABLES, TRANSFERS, AND BORROWINGS (Continued)

Interfund Transfers (Continued)

The composition of interfund transfers as of December 31, 2017 is as follows:

	Transfers In:			Total
	Nonmajor Governmental	General	Internal Services	
<u>Transfer Out:</u>				
Property Management	\$ 89,742	\$ 10,000	\$ -	\$ 99,742

Interfund Borrowings:

Related borrowings are classified as "borrowings to other funds" and "borrowings from other funds" on the balance sheet and statement of net position. The borrowing is payable/receivable in monthly installments of \$15,187 including interest at 4.00% per annum beginning January 1, 2016 and maturing December 1, 2025.

The composition of borrowings to / from other funds as of December 31, 2017 is as follows:

<u>Borrowings to</u>	<u>Borrowings from</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Property Management	Electric Utility	\$ 134,859	\$ 1,111,053	\$ 1,245,912

NOTE -7 LONG -TERM DEBT

LOANS PAYABLE

The Water Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$9,812,211 with an interest rate of 4.0%. The loan proceeds were used to finance construction of a water treatment facility. The loan is payable in varying semi-annual installments of principal and interest beginning August 1, 2002 and maturing August 1, 2022. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues. As of December 31, 2017, \$3,124,043 is outstanding and \$575,911 is due within one year.

The Water Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$1,830,000, with a 0% interest rate. The loan proceeds were used to finance construction of water tanks. The loan is payable in semi-annual installments of \$47,500, beginning November 1, 2010 and maturing May 1, 2030. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues. As of December 31, 2017, \$1,143,750 is outstanding and \$91,500 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$358,400. The loan proceeds were used to finance lagoon improvements. The loan is payable in semi-annual installments of \$13,719 including interest at 4.5% per annum beginning November 1, 2000 and maturing May 1, 2020. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2017, \$64,198 is outstanding and \$24,825 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$13,348,899. The loan proceeds are being used to finance construction of a waste water treatment facility. The loan is payable in varying semi-annual installments including interest at 2.17% per annum beginning August 1, 2015 and maturing August 1, 2037. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2017, \$12,314,270 is outstanding and \$517,446 is due within one year.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 LONG –TERM DEBT (Continued)

In connection with the above loans payable, the City is subject to various covenants with the Colorado Water Resources and Power Development Authority. The City is also required to maintain an operating and maintenance reserve fund in an amount equal to three months of operation and maintenance expenses, excluding depreciation. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities. As of December 31, 2017 the City was in compliance with all said covenants.

The City issued a redevelopment and reimbursement agreement to a developer for building a hotel within the City. The agreement states that the City will reimburse the developer for eligible costs incurred by the developer in the amount of \$400,000. The loan is payable in yearly installments of \$34,730, including interest at 3.5% per annum, maturing May 16, 2024. As of December 31, 2017, \$212,358 is outstanding and \$27,297 is due within one year. For the year ended December 31, 2017, interest incurred and expensed was \$17,549.

Annual debt service requirements to maturity are as follows:

<u>YEAR ENDING</u>	<u>BUSINESS-TYPE ACTIVITIES</u>		<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2018	\$ 1,209,682	\$ 375,368	\$ 27,297	\$ 7,433
2019	1,239,493	343,441	28,253	6,477
2020	1,249,511	319,268	29,242	5,488
2021	1,282,625	267,554	30,265	4,465
2022	1,348,064	197,037	31,325	3,405
2023 - 2027	3,405,972	938,119	65,976	3,484
2028 - 2032	3,365,270	752,888	-	-
2033 - 2037	3,545,644	344,279	-	-
TOTAL	<u>\$ 16,646,261</u>	<u>\$ 3,537,954</u>	<u>\$ 212,358</u>	<u>\$ 30,752</u>

The following is a summary of activity for long-term liabilities for the year ended December 31, 2017:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>DUE WITHIN ONE YEAR</u>
<u>Governmental activities:</u>					
Reimbursement amt	\$ 264,215	\$ -	\$ (51,857)	\$ 212,358	\$ 27,297
Compensated absences	994,243	24,020	-	1,018,263	-
Net Pension Liabilities	<u>1,097,952</u>	<u>30,456</u>	<u>-</u>	<u>1,128,408</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 2,356,410</u>	<u>\$ 54,476</u>	<u>\$ (51,857)</u>	<u>\$ 2,359,029</u>	<u>\$ 27,297</u>
<u>Business-type activities:</u>					
Loans payable	\$17,829,304	\$ -	\$ (1,183,043)	\$16,646,261	\$ 1,209,682
Estimated closure and post-closure costs	727,000	-	(195,000)	532,000	16,000
Compensated absences	<u>784,580</u>	<u>32,025</u>	<u>-</u>	<u>816,605</u>	<u>-</u>
Business-type activity					
Long-term liabilities	<u>\$19,340,884</u>	<u>\$ 32,025</u>	<u>\$ (1,378,043)</u>	<u>\$17,994,866</u>	<u>\$ 1,225,682</u>

For the governmental activities, compensated absences are liquidated by the General Fund.

ESTIMATED CLOSURE AND POSTCLOSURE CARE COSTS

In 1995 the City entered into an intergovernmental agreement with Otero County and other municipalities within the County to form the Otero County Landfill, Inc. ("OCLI") to operate the landfill within the County. The agreement transfers the liability for closure and postclosure costs to the new organization. The City and all participating entities are responsible for a portion of the costs based on an average of the population and assessed valuation of each entity to the total of all entities.

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -7 LONG –TERM DEBT (Continued)

ESTIMATED CLOSURE AND POSTCLOSURE CARE COSTS (Continued)

Based on the current allocation the City's share is approximately 27% of the estimated \$1,968,000 in closure and postclosure costs amounting to \$532,000. These amounts are based on estimates of what it would cost to perform all closure and post closure care in 2017. Actual costs may be higher due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

Due to the significant decrease in the estimated closure and post closure costs from 2016 to 2017, the Town's allocation was reduced by \$161,850 and is reported as a special item on the statement of activities and statement of revenues, expenses and changes in net position in the Sanitation Utility Fund

The City and other municipalities are required by state and federal laws and regulations to make certain financial assurances. These have been based on the same percentage as stated above.

	MANZANOLA	OTERO #1	OTERO #2		
			MODULE #1	MODULE #2	MODULE #3
Percent of capacity	96%	100%	89%	88%	15%
Estimated closure date	2019	Closed	2019	2019	2029

CONDUIT DEBT

The City authorized the issuance of the "City of La Junta, Colorado, Industrial Development Revenue Bonds (Colorado Mennonite Retirement Center Project) Series 1997" in the amount of \$1,550,000. In 2007 the City authorized the issuance of the "City of La Junta, Colorado, Industrial Development Revenue Bonds (Colorado Mennonite Retirement Center Project) Series 2007" in the amount of \$1,225,000 to finance a project for Colorado Mennonite Retirement Center and refund bonds issued in 1997. The amount outstanding as of December 31, 2017 was \$1,020,000. The above debt does not constitute indebtedness of the City and does not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

The City authorized the issuance of a bond in the principal amount of \$2,900,000 designated as the "City of La Junta, Colorado Revenue Bond (Inspiration Field Project) Series 2011". The aggregate amount of installments of principal amount of the "City of La Junta, Colorado Revenue Bond (Inspiration Field Project) Series 2011" purchased shall not exceed \$2,900,000. The amount outstanding as of December 31, 2017 was \$2,044,456. The above debt does not constitute indebtedness of the City and does not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

CASH WITH TRUSTEE

As of December 31, 2017 the City had cash held with trustees of \$10,340,168 in the Sewer Utility Fund for the use according to debt agreements entered into by the City. The trust cash balance is recorded in the balance due to the Colorado Water Resources and Power Development Authority (notes payable); therefore the net position is not restricted for the balance.

NOTE -8 CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE -9 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined the Colorado Intergovernmental Risk Agency (CIRSA), a public entity risk pool formed to provide property and liability and worker's compensation coverage and related services for its member municipalities. The City pays an annual premium to CIRSA for property and liability insurance coverage and risk management services.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 RISK MANAGEMENT (Continued)

All Colorado municipalities, which are members of the Colorado Municipal League, are eligible to participate in CIRSA. As of the most recent annual report filed, December 31, 2016, there were 272 members in the Property/Casualty/Liability Pool. CIRSA's general objectives are to provide member municipalities and special districts defined property and liability and workers' compensation coverage through joint self-insurance and excess insurance.

Death and disability insurance for police officers hired prior to January 1997 is provided by the Fire and Police Pension Association (FPPA) on behalf of the City of La Junta. The state made one payment to the FPPA in 1997 to fully fund this insurance for officers hired before 1997.

Death and disability insurance for police officers hired after December 1996 is purchased from the FPPA. In 1996 the Colorado state legislature elected to cease providing state funding for disability insurance for police officers beginning with officers hired after December 31, 1996. The amount of settlements did not exceed insurance coverage during the past three fiscal years.

The City also handles health and life insurance claims for its employees. Premiums are charged to the employees as well as the City to cover medical claims with reinsurance provided by commercial carriers for claims in excess of \$35,000 annually. Incurred but not reported claims of \$145,000 have been accrued as a liability based primarily upon the claims administrator's historical estimate.

The following represents the changes in approximate aggregate liabilities for claims incurred but not reported for the City for the year ended December 31, 2017.

Liability Balance January 1, 2016	\$ 151,000
Claims and Changes in Estimates	789,632
Claims Payments	<u>(795,632)</u>
Liability Balance December 31, 2017	<u>\$ 145,000</u>

NOTE -10 PENSION PLANS

City employees may be covered under one or two of five different pension plans, depending on occupation and date of hire. The different plans are the Old Hire Fire Defined Benefit Plan, Old Hire Police Defined Benefit Plan, Fire and Police Defined Contribution Plans and the City Retirement Defined Contribution Plan. A description of each plan and selected financial information follows:

OLD HIRE FIRE PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

Pensions – The City of La Junta participates in the Old Hire Fire Pension Fund, an agent multiple-employer defined benefit pension fund administered by the Colorado Fire and Police Pension Association ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to / deductions from the fiduciary net position of the Old Hire Fire Pension Fund has been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investments - Investments are reported at fair value.

Plan Information

Plan Description - The City, on behalf of certain full-time paid Firefighters, contributes to the Old Hire Fire Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA) to administer the funds for the City. Assets of the plan are commingled for investment purposes in the Fire Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA.

Plan Membership – Plan membership consists of active employees hired prior to April 8, 1978, electing to remain covered under the provisions of the City's current plan.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

The following is a summary of the participants:

	<u>Old Hire Fire</u>
Active Members	0
Retired Members	2
Disabled Retired Members	0
Beneficiaries	2

Benefits Provided - The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the City of La Junta Old Hire Fire Pension Fund and is as follows:

The Old Hire Fire Pension Fund provides retirement benefits to Firefighters who have attained both 50 years of age and completed 20 years of service. Any Firefighter who elects to retire on or after his Normal Retirement Date shall be eligible for a monthly pension equal to one-half of his monthly salary received at his retirement date, plus an additional 4% of his monthly salary for each complete year served past the age of 50 to age 55 for a maximum monthly pension of 70% of the Firefighter's monthly salary at retirement. As of January 1, 2000, any Firefighter who elects to retire on or after his Normal Retirement Date shall be eligible for a monthly pension increased by an additional 10% of his monthly salary.

Upon death, the surviving spouse receive, until death or remarriage, a monthly pension equal to one-half of the monthly pension the Firefighter was entitled to receive prior to death. In addition the plan calls for a 3% cost of living adjustment effective each January 1.

Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the City of La Junta Old Hire Fire Pension Fund. That report may be obtained by writing to: FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111 or by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Contributions – The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Plan members and the City of La Junta are required to contribute at a rate set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. The contributions are based on an actuarially determined amount recommended by an independent actuary.

The contribution rate for members and the City for the Old Hire Fire Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2016 actuarial valuation. Total contribution for the year ended December 31, 2017 was \$60,388. The contribution of the City of La Junta Fire Department was equal to the required contribution for the year.

Net Pension Liability

The net pension liability was measured at December 31, 2016, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2016, and the City's fiscal year ending date, or reporting date, is December 31, 2017.

Actuarial Assumptions – The total pension liability in the actuarial valuation as of December 31, 2016 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Discount Rate – 7.50%
- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar, Open*
- Remaining Amortization Period – 19 years*
- Asset Valuation Method – 5-Year smoothed fair value
- Inflation – 3.00%
- Salary Increases – N/A
- Investment Rate of Return – 7.50%

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

Retirement Age – Any remaining actives are assumed to retire immediately

Mortality Rates – Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment

Disabled (pre-1980): RP-2000 Disabled Mortality Table

All tables projected with Scale AA

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

Assumption Changes - The assumptions shown above pertain to the actuarial valuation as of January 1, 2014 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Those assumption changes are incorporated into the Total Pension Liability as of December 31, 2016, since it is based on the actuarial valuation as of January 1, 2016. The assumption changes will be observed in the Actuarially Determined Contribution for the year ending December 31, 2017.

The complete assumption set can be found in the actuarial valuation report as of January 1, 2016. The primary changes as compared to the assumptions shown are as follows:

Inflation – 2.50%

Mortality – Post-retirement: 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 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

Long-Term Expected Rate of Return on Pension Plan Investments - 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation as of December 31, 2016, are summarized in the table below:

Target Allocations:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36.00%	6.75%
Equity Long/Short	10.00%	4.85%
Illiquid Alternatives	23.00%	8.25%
Fixed Income	15.00%	0.50%
Absolute Return	10.00%	4.05%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00%**
Total	100.00%	

** While expected inflation exceeds the expected rate of return for cash, a 0.00% real rate of return is utilized.

Single Discount Rate - The 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 LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closet to but no later than the measurement date of the "State & local bonds" rate from Federal Reserve statically release); and the resulting Single Discount Rate is 7.50%.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2016	<u>\$ 1,421,660</u>	<u>\$ 787,909</u>	<u>\$ 633,751</u>
Change for the year:			
Interest	102,500	-	102,500
Difference between Expected & Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	48,084	(48,084)
Contributions – Member	-	-	-
Net Investment Income	-	40,569	(40,569)
Benefit payments	(112,021)	(112,021)	-
Administrative Expense	-	(3,084)	3,084
Net Changes	<u>(9,521)</u>	<u>(26,452)</u>	<u>16,931</u>
Balances at December 31, 2017	<u>1,412,139</u>	<u>761,457</u>	<u>650,682</u>

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the net pension liability of the City at December 31, 2017, for the measurement period ending December 31, 2016, 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:

	1% Decrease (6.50%)	Current Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 789,236	\$ 650,682	\$ 532,355

Pension Plan Fiduciary Net Position – 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 publically available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2017; the City recognized pension expense of \$2,101. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	42,604	-
Contributions subsequent to the measurement date	60,388	-
Total	\$ 102,992	\$ -

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

\$60,388 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2017:	
2018	\$ 13,530
2019	13,529
2020	12,333
2021	3,212

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

Pensions – The City of La Junta participates in the Old Hire Police Pension Fund, an agent multiple-employer defined benefit pension fund administered by the Colorado Fire and Police Pension Association (“FPPA”).

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to / deductions from the fiduciary net position of the Old Hire Police Pension Fund has been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investments - Investments are reported at fair value.

Plan Information

Plan Description - The City, on behalf of certain full-time paid Police Officers, contributes to the Old Hire Police Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA) to administer the funds for the City. Assets of the plan are commingled for investment purposes in the Fire Member’s Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA.

Plan Membership – Plan membership consists of active employees hired prior to April 8, 1978, electing to remain covered under the provisions of the City’s current plan.

The following is a summary of the participants:

	<u>Old Hire Police</u>
Active Members	0
Retired Members	1
Disabled Retired Members	0
Beneficiaries	2

Benefits Provided - The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the City of La Junta Old Hire Police Pension Fund and is as follows:

The Old Hire Police Pension Fund provides retirement benefits to police Officers who have attained both 55 years of age and completed 20 years of service or upon completion of 25 years of service, if earlier. Any Police Officer who elects to retire on or after his Normal Retirement Date shall be eligible for a monthly pension equal to 70% of his monthly salary at the date of his retirement.

Upon death, the surviving spouse receives a monthly pension equal to 100% of the monthly pension the Police Officer was entitled to receive prior to death. In addition the plan calls for a 3% cost of living adjustment effective each January 1.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the City of La Junta Old Hire Police Pension Fund. That report may be obtained by writing to: FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111 or by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Plan members and the City of La Junta are required to contribute at a rate set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. The contributions are based on an actuarially determined amount recommended by an independent actuary.

The contribution rate for members and the City for the Old Hire Police Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2016 actuarial valuation. Total contribution for the year ended December 31, 2017 was \$55,128. The contribution of the City of La Junta Police Department was equal to the required contribution for the year.

Net Pension Liability

The net pension liability was measured at December 31, 2016, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2016, and the City's fiscal year ending date, or reporting date, is December 31, 2017.

Actuarial Assumptions – The total pension liability in the actuarial valuation as of December 31, 2016 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Discount Rate – 7.50%
- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar, Open*
- Remaining Amortization Period – 13 years*
- Asset Valuation Method – 5-Year smoothed fair value
- Inflation – 3.00%
- Salary Increases – N/A
- Investment Rate of Return – 7.50%
- Retirement Age – Any remaining actives are assumed to retire immediately
- Mortality Rates – Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment
Disabled (pre-1980): RP-2000 Disabled Mortality Table
All tables projected with Scale AA

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

Assumption Changes - The assumptions shown above pertain to the actuarial valuation as of January 1, 2014 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Those assumption changes are incorporated into the Total Pension Liability as of December 31, 2016, since it is based on the actuarial valuation as of January 1, 2016. The assumption changes will be observed in the Actuarially Determined Contribution for the year ending December 31, 2017.

The complete assumption set can be found in the actuarial valuation report as of January 1, 2016. The primary changes as compared to the assumptions shown are as follows:

- Inflation – 2.50%
- Mortality – Post-retirement: 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 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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

Long-Term Expected Rate of Return on Pension Plan Investments - 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation as of December 31, 2016, are summarized in the table below:

Target Allocations

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36.00%	6.75%
Equity Long/Short	10.00%	4.85%
Illiquid Alternatives	23.00%	8.25%
Fixed Income	15.00%	0.50%
Absolute Return	10.00%	4.05%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00%**
Total	100.00%	

** While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

Single 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).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closet to but no later than the measurement date of the "State & local bonds" rate from Federal Reserve statically release); and the resulting Single Discount Rate is 7.50%.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at December 31, 2016	\$ 1,155,620	\$ 691,419	\$ 464,201
Change for the year:			
Interest	82,572	-	82,572
Difference between Expected & Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Contributions – Employer	-	37,190	(37,190)
Contributions – Member	-	-	-
Net Investment Income	-	34,775	(34,775)
Benefit payments	(111,327)	(111,327)	-
Administrative Expense	-	(2,918)	2,918
Net Changes	(28,755)	(42,280)	13,525
Balances at December 31, 2017	1,126,865	649,139	477,726

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the net pension liability of the City at December 31, 2017, for the measurement period ending December 31, 2016, 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:

	1% Decrease (6.50%)	Current Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 581,044	\$ 477,726	\$ 389,124

Pension Plan Fiduciary Net Position – 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 publically available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2017; the City recognized pension revenue of \$6,685. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	37,701	-
Contributions subsequent to the measurement date	55,128	-
Total	\$ 92,829	\$ -

\$55,128 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2017:	
2018	\$ 11,972
2019	11,970
2020	10,911
2021	2,848

FIRE AND POLICE – DEFINED CONTRIBUTION PLANS

Plan Description - The City provides pension benefits for all of its full-time Fire and Police employees hired after April, 1978 and old hires that chose to switch to the new plan through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. State legislation requires that both the employee and the City contribute an amount equal to 8 percent of the employee's base salary each month. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after ten years' continuous service. City contributions for, and interest forfeited by, employees who leave employment before ten years of service are used to reduce the City's current-period contribution requirement.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 PENSION PLANS (Continued)

Funding Policy - The City's total Fire and Police payroll for 2017 was \$299,658 and \$590,610, respectively. The City's contributions were calculated using a base salary amount of \$298,987 and \$561,685. Both City and the covered employees made the required 8 percent contribution, amounting to \$2,990 each for Firemen or a total of \$23,919 and \$2,496 each for Policemen or a total of \$44,935. As of December 31, 2017 the market value of assets held by the plans is \$648,505 for Fire and \$487,295 for Police.

CITY RETIREMENT – DEFINED CONTRIBUTION PLAN

Plan Description - The City provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after attaining age 21 and having been employed six months. The plan entrance dates are January 1 and July 1. The plan requires that the employees' contribute a minimum of 1 percent and the City contributes an amount equal to 5.7 percent of the employee's base.

Funding Policy - The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years' continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the City's current-period contribution requirement.

The City's total payroll in fiscal year 2017 was \$5,370,165. The City's contributions were calculated using the base salary amount of \$3,996,098. Both the City and the covered employees made the required contributions amounting to \$203,834 and \$249,017, respectively, for a total of \$452,851. As of December 31, 2017 the market value of assets held was \$12,117,036.

NOTE -11 RELATED PARTY TRANSACTIONS

The City had expenditures of approximately \$33,500 made to businesses owned by council members of which \$871 is recorded in accounts payable.

As indicated in Note -1, the City entered into an intergovernmental agreement with Otero County Landfill, Inc. (OCLI) regarding a landfill operation. For the year ended December 31, 2017, the City had paid OCLI \$185,266 for its share of the costs of which \$0 was due and recorded as accounts payable in the Sanitation Utility Fund. The City has recognized \$532,000 for its share of estimated closure and post closure care costs.

The City purchased approximately \$8.8 million of power from ARPA (a jointly governed entity), of which \$701,016 is recorded in accounts payable in the Electric Utility Fund, to be resold to its utility customers.

NOTE -12 LEASES AND UNEARNED LEASE REVENUES

The City's Property Management Fund has entered into three lease agreements with entities for space in which the leasee paid advance amounts for improvements of \$425,000, \$754,518 and \$65,000. The City would be required to refund a proportion of this based on the life of the lease if they terminate the lease early. It is being recognized over the terms of the lease agreements of 20 years or 40 years, as applicable, with the unamortized balance included in unearned lease revenues. As of December 31, 2017 the balance remaining was \$831,261 with \$41,738 reported as unearned lease revenues – current.

The future minimum rentals on noncancellable leases as of December 31, 2017 are as follows:

2018	\$ 1,047,984
2019	905,397
2020	841,680
2021	664,614
2022	647,808
Thereafter	5,016,990

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -13 TAX SPENDING AND DEBT LIMITATIONS

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

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

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an enterprise will require judicial interpretation. Accordingly, the possibility exists that the City's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

On November 2, 1993 the voters of the City approved an amendment to allow the collection, retention, and expenditure of the full proceeds of the City's sales and use tax and non-federal grants.

Emergency Reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. \$243,000 of the fund balance has been reserved in compliance with this requirement.

NOTE -14 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statement were available to be issued. Subsequent events after that date have not been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA JUNTA, COLORADO

OLD HIRE FIRE PENSION FUND

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2017

MEASUREMENT PERIOD ENDED DECEMBER 31,	2016	2015	2014
TOTAL PENSION LIABILITY			
SERVICE COST	\$ -	\$ -	\$ -
INTEREST	102,500	95,494	96,307
CHANGES TO BENEFIT TERMS	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	32,911	-
ASSUMPTION CHANGES	-	75,370	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(112,021)	(108,759)	(105,591)
NET CHANGE IN TOTAL PENSION LIABILITY	(9,521)	95,016	(9,284)
TOTAL PENSION LIABILITY - BEGINNING	1,421,660	1,326,644	1,335,928
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 1,412,139</u>	<u>\$ 1,421,660</u>	<u>\$ 1,326,644</u>
PLAN FIDUCIARY NET POSITION			
CONTRIBUTIONS - EMPLOYER	\$ 48,084	\$ 48,084	\$ 44,595
CONTRIBUTIONS - EMPLOYEE	-	-	-
NET INVESTMENT INCOME	40,569	14,680	54,916
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(112,021)	(108,759)	(105,591)
ADMINISTRATIVE EXPENSES	(3,084)	283	(4,139)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(26,452)	(45,712)	(10,219)
PLAN FIDUCIARY NET POSITION - BEGINNING	787,909	833,621	843,840
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 761,457</u>	<u>\$ 787,909</u>	<u>\$ 833,621</u>
PLAN'S NET PENSION LIABILITY - BEGINNING	633,751	493,023	492,088
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 650,682</u>	<u>\$ 633,751</u>	<u>\$ 493,023</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	53.92%	55.42%	62.84%
COVERED-EMPLOYEE PAYROLL	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	N/A	N/A	N/A

NOTE: THIS SCHEDULE IS INTENDED TO SHOW INFORMATION FOR TEN YEARS. ADDITIONAL YEARS' INFORMATION WILL BE DISPLAYED AS BECOMES AVAILABLE.

CITY OF LA JUNTA, COLORADO

OLD HIRE POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2017

MEASUREMENT PERIOD ENDED DECEMBER 31,	2016	2015	2014
TOTAL PENSION LIABILITY			
SERVICE COST	\$ -	\$ -	\$ -
INTEREST	82,572	75,714	77,860
CHANGES TO BENEFIT TERMS	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	61,291	-
ASSUMPTION CHANGES	-	64,117	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(111,327)	(108,084)	(104,936)
NET CHANGE IN TOTAL PENSION LIABILITY	(28,755)	93,038	(27,076)
TOTAL PENSION LIABILITY - BEGINNING	1,155,620	1,062,582	1,089,658
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 1,126,865</u>	<u>\$ 1,155,620</u>	<u>\$ 1,062,582</u>
PLAN FIDUCIARY NET POSITION			
CONTRIBUTIONS - EMPLOYER	\$ 37,190	\$ 37,190	\$ 29,105
CONTRIBUTIONS - EMPLOYEE	-	-	-
NET INVESTMENT INCOME	34,775	13,305	50,250
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(111,327)	(108,084)	(104,936)
ADMINISTRATIVE EXPENSES	(2,918)	(1,302)	(4,030)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(42,280)	(58,891)	(29,611)
PLAN FIDUCIARY NET POSITION - BEGINNING	691,419	750,310	779,921
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 649,139</u>	<u>\$ 691,419</u>	<u>\$ 750,310</u>
PLAN'S NET PENSION LIABILITY - BEGINNING	464,201	312,272	309,737
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 477,726</u>	<u>\$ 464,201</u>	<u>\$ 312,272</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	57.61%	59.83%	70.61%
COVERED-EMPLOYEE PAYROLL	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	N/A	N/A	N/A

NOTE: THIS SCHEDULE IS INTENDED TO SHOW INFORMATION FOR TEN YEARS. ADDITIONAL YEARS' INFORMATION WILL BE DISPLAYED AS BECOMES AVAILABLE.

CITY OF LA JUNTA, COLORADO
 OLD HIRE FIRE PENSION FUND
 SCHEDULE OF PLAN CONTRIBUTIONS
 LAST 10 FISCAL YEARS

<u>FY ENDING DECEMBER 31,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION*</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL</u>
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2017	\$ 60,388	\$ 60,388	\$ -	N/A	N/A
2016	\$ 48,084	\$ 48,084	\$ -	N/A	N/A
2015	\$ 48,084	\$ 48,084	\$ -	N/A	N/A
2014	\$ 44,595	\$ 44,595	\$ -	N/A	N/A
2013	\$ 44,595	\$ 44,595	\$ -	N/A	N/A
2012	\$ 29,031	\$ 29,031	\$ -	N/A	N/A
2011	\$ 29,031	\$ 29,031	\$ -	N/A	N/A
2010	\$ 7,074	\$ 7,074	\$ -	N/A	N/A
2009	\$ 7,074	\$ 7,074	\$ -	N/A	N/A
2008	\$ 15,401	\$ 15,401	\$ -	N/A	N/A

* Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

CITY OF LA JUNTA, COLORADO
 OLD HIRE POLICE PENSION FUND
 SCHEDULE OF PLAN CONTRIBUTIONS
 LAST 10 FISCAL YEARS

<u>FY ENDING DECEMBER 31,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION*</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL</u>
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2017	\$ 55,128	\$ 55,128	\$ -	N/A	N/A
2016	\$ 37,190	\$ 37,190	\$ -	N/A	N/A
2015	\$ 37,190	\$ 37,190	\$ -	N/A	N/A
2014	\$ 29,105	\$ 29,105	\$ -	N/A	N/A
2013	\$ 29,105	\$ 29,105	\$ -	N/A	N/A
2012	\$ 28,596	\$ 28,596	\$ -	N/A	N/A
2011	\$ 28,596	\$ 28,596	\$ -	N/A	N/A
2010	\$ -	\$ -	\$ -	N/A	N/A
2009	\$ -	\$ -	\$ -	N/A	N/A
2008	\$ 530	\$ 530	\$ -	N/A	N/A

** Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.*

CITY OF LA JUNTA, COLORADO

GENERAL FUND

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

YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
TAXES	\$ 5,031,300	\$ 5,031,300	\$ 5,223,130	\$ 191,830
LICENSES AND PERMITS	18,100	18,100	14,833	(3,267)
INTERGOVERNMENTAL	1,124,600	1,124,600	1,105,051	(19,549)
CHARGES FOR SERVICES	1,357,400	1,357,400	1,195,070	(162,330)
FINES	35,000	35,000	26,949	(8,051)
INTEREST	10,600	10,600	18,968	8,368
MISCELLANEOUS AND RENTALS	22,400	22,400	134,147	111,747
TOTAL REVENUES	7,599,400	7,599,400	7,718,148	118,748
EXPENDITURES				
GENERAL GOVERNMENT	2,823,500	2,848,500	2,616,754	231,746
PUBLIC SAFETY	2,490,800	2,496,300	2,160,825	335,475
PUBLIC WORKS	1,428,400	1,459,700	1,268,098	191,602
HEALTH AND WELFARE	305,100	305,100	300,780	4,320
CULTURE AND RECREATION	1,918,500	1,918,500	1,771,452	147,048
TOTAL EXPENDITURES	8,966,300	9,028,100	8,117,909	910,191
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,366,900)	(1,428,700)	(399,761)	1,028,939
OTHER FINANCING SOURCES				
TRANSFERS IN	10,000	10,000	10,000	-
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(1,356,900)	(1,418,700)	(389,761)	1,028,939
FUND BALANCE JANUARY 1	5,464,227	5,464,227	5,464,227	-
FUND BALANCE DECEMBER 31	\$ 4,107,327	\$ 4,045,527	\$ 5,074,466	\$ 1,028,939

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA JUNTA, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2017

NOTE -1 SCHEDULES OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

Measurement Period: January 1, 2016 - December 31, 2016 for the Fiscal Year Ending December 31, 2017 (December 31, 2016 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS

Actuarial Assumptions

Valuation Date: January 1, 2016

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2016, determines the contribution amounts for 2017 and 2018.

Significant actuarial methods and assumptions used to determine the contribution rates for the Old Hire Fire Pension Fund and Old Hire Police Pension Fund are as follows:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	- Entry Age Normal
Amortization Method	- Level Dollar, Open*
Remaining Amortization Period - Old Hire Fire	- 19 Years*
Remaining Amortization Period - Old Hire Police	- 13 Years*
Asset Valuation Method	- 5-Year smoothed fair value
Inflation	- 3.00%
Salary Increase	- N/A
Investment Rate of Return	- 7.50%
Retirement Age	- Any remaining actives are assumed to retire immediately
Mortality (Annuities)	- Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment
	- Disabled (pre-1980): RP-2000 Disabled Mortality Table
	- All tables projected with Scale AA.

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

OTHER INFORMATION

CITY OF LA JUNTA, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CASH OR EQUIVALENTS	\$ 4,611,851	\$ 5,058,814
RESTRICTED CASH	76,239	67,456
RECEIVABLES		
ACCOUNTS RECEIVABLE	49,681	162,049
ACCRUED INTEREST	1,927	1,214
PROPERTY TAXES RECEIVABLE	101,900	102,900
SALES TAX RECEIVABLE	431,486	384,790
DUE FROM OTHER GOVERNMENTS	565,557	44,005
DUE FROM OTHER FUNDS	52,342	72,746
	<u>5,890,983</u>	<u>5,893,974</u>
TOTAL ASSETS	<u>\$ 5,890,983</u>	<u>\$ 5,893,974</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED PAYROLL TAXES	\$ 713,653	\$ 322,827
DUE TO OTHER FUNDS	964	4,020
	<u>714,617</u>	<u>326,847</u>
TOTAL LIABILITIES	<u>714,617</u>	<u>326,847</u>
DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	101,900	102,900
	<u>101,900</u>	<u>102,900</u>
FUND BALANCE		
RESTRICTED FOR EMERGENCIES - TABOR	243,000	227,900
RESTRICTED ASSETS	76,239	67,456
ASSIGNED FOR SUBSEQUENT YEARS' EXPENDITURES	1,163,700	1,295,100
UNASSIGNED	3,591,527	3,873,771
	<u>5,074,466</u>	<u>5,464,227</u>
TOTAL FUND BALANCE	<u>5,074,466</u>	<u>5,464,227</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 5,890,983</u>	<u>\$ 5,893,974</u>

CITY OF LA JUNTA, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
REVENUES		
TAXES	\$ 5,223,130	\$ 5,172,218
LICENSES AND PERMITS	14,833	28,551
INTERGOVERNMENTAL	1,105,051	461,564
CHARGES FOR SERVICES	1,195,070	1,307,438
FINES	26,949	26,495
INTEREST	18,968	12,993
MISCELLANEOUS AND RENTALS	134,147	110,576
TOTAL REVENUES	7,718,148	7,119,835
EXPENDITURES		
GENERAL GOVERNMENT	2,616,754	2,051,497
PUBLIC SAFETY	2,160,825	2,107,041
PUBLIC WORKS	1,268,098	1,311,354
HEALTH AND WELFARE	300,780	307,589
CULTURE AND RECREATION	1,771,452	1,802,508
TOTAL EXPENDITURES	8,117,909	7,579,989
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(399,761)	(460,154)
OTHER FINANCING SOURCES		
TRANSFERS IN	10,000	10,000
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(389,761)	(450,154)
FUND BALANCE JANUARY 1	5,464,227	5,914,381
FUND BALANCE DECEMBER 31	\$ 5,074,466	\$ 5,464,227

CITY OF LA JUNTA, COLORADO
SOUTHWEST AMTRAK IMPROVEMENT FUND
BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 214,277	\$ 1,248,998
ACCOUNTS RECEIVABLE	197,453	3,626,023
GRANT RECEIVABLE	<u>371,371</u>	<u>8,030,953</u>
TOTAL ASSETS	<u>\$ 783,101</u>	<u>\$ 12,905,974</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 597,546	\$ 12,905,974
DUE TO OTHER ENTITIES	<u>185,555</u>	<u>-</u>
TOTAL LIABILITIES	783,101	12,905,974
FUND BALANCE		
UNASSIGNED	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 783,101</u>	<u>\$ 12,905,974</u>

CITY OF LA JUNTA, COLORADO

SOUTHWEST AMTRAK IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
REVENUES		
INTERGOVERNMENTAL	\$ 9,798,954	\$ 12,905,976
MISCELLANEOUS	13,202	-
TOTAL REVENUES	9,812,156	12,905,976
EXPENDITURES		
GENERAL GOVERNMENT	13,202	-
CAPITAL PROJECTS	9,798,954	12,905,976
TOTAL EXPENDITURES	9,812,156	12,905,976
REVENUES OVER EXPENDITURES BEFORE	-	-
FUND BALANCE JANUARY 1	-	-
FUND BALANCE DECEMBER 31	\$ -	\$ -

CITY OF LA JUNTA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2017

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.
ASSETS				
CASH OR EQUIVALENTS	\$ 79,495	\$ 151,117	\$ 518,517	\$ 8,444
RECEIVABLES				
LODGING TAX RECEIVABLE	-	-	-	-
NOTES RECEIVABLE	-	-	75,787	-
OTHER	-	364	14,495	-
DUE FROM OTHER FUNDS	-	-	-	-
TOTAL ASSETS	<u>\$ 79,495</u>	<u>\$ 151,481</u>	<u>\$ 608,799</u>	<u>\$ 8,444</u>
LIABILITIES				
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 7,625	\$ -
DUE TO OTHER FUNDS	-	-	-	-
UNEARNED REVENUE	-	-	5,000	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>12,625</u>	<u>-</u>
FUND BALANCE				
NONSPENDABLE FOR:				
NOTES	-	-	75,787	-
RESTRICTED FOR:				
CONSERVATION TRUST	79,495	-	-	-
ENDOWMENTS	-	-	-	-
ASSIGNED	-	151,481	520,387	8,444
TOTAL FUND BALANCE	<u>79,495</u>	<u>151,481</u>	<u>596,174</u>	<u>8,444</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 79,495</u>	<u>\$ 151,481</u>	<u>\$ 608,799</u>	<u>\$ 8,444</u>

MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUND
		LIBRARY ENDOWMENT	CEMETERY ENDOWMENT	
\$ 6,304	\$ 385,004	\$ 100,000	\$ 256,294	\$ 1,505,175
-	10,838	-	-	10,838
-	-	-	-	75,787
-	-	-	159	15,018
-	-	-	964	964
<u>\$ 6,304</u>	<u>\$ 395,842</u>	<u>\$ 100,000</u>	<u>\$ 257,417</u>	<u>\$ 1,607,782</u>
\$ -	\$ 500	\$ -	\$ 5	\$ 8,130
-	39,939	-	-	39,939
-	-	-	-	5,000
<u>-</u>	<u>40,439</u>	<u>-</u>	<u>5</u>	<u>53,069</u>
-	-	-	-	75,787
-	-	-	-	79,495
-	-	100,000	257,412	357,412
<u>6,304</u>	<u>355,403</u>	<u>-</u>	<u>-</u>	<u>1,042,019</u>
<u>6,304</u>	<u>355,403</u>	<u>100,000</u>	<u>257,412</u>	<u>1,554,713</u>
<u>\$ 6,304</u>	<u>\$ 395,842</u>	<u>\$ 100,000</u>	<u>\$ 257,417</u>	<u>\$ 1,607,782</u>

CITY OF LA JUNTA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE

YEAR ENDED DECEMBER 31, 2017

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.
REVENUES				
TAXES	\$ -	\$ -	\$ 76,504	\$ -
INTERGOVERNMENTAL	68,041	-	-	-
INTEREST	66	1,047	5,771	2
OTHER	-	-	1,200	-
TOTAL REVENUES	68,107	1,047	83,475	2
EXPENDITURES				
GENERAL GOVERNMENT	110,821	-	13,668	-
ECONOMIC DEVELOPMENT	-	56,894	114,738	-
DEBT SERVICE	-	-	69,406	-
TOTAL EXPENDITURES	110,821	56,894	197,812	-
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(42,714)	(55,847)	(114,337)	2
OTHER FINANCING SOURCES (USES)				
CONTRIBUTIONS	-	3,846	-	-
TRANSFERS IN (OUT)	-	89,742	-	-
OTHER	-	-	34,035	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(42,714)	37,741	(80,302)	2
FUND BALANCE JANUARY 1	122,209	113,740	676,476	8,442
FUND BALANCE DECEMBER 31	\$ 79,495	\$ 151,481	\$ 596,174	\$ 8,444

MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
		LIBRARY ENDOWMENT	CEMETERY ENDOWMENT	
\$ -	\$ 166,973	\$ -	\$ -	\$ 243,477
-	-	-	-	68,041
-	84	200	524	7,694
456	-	-	-	1,656
456	167,057	200	524	320,868
-	111,946	-	-	236,435
-	-	-	-	171,632
-	-	-	-	69,406
-	111,946	-	-	477,473
456	55,111	200	524	(156,605)
-	-	-	3,990	7,836
-	-	-	-	89,742
-	-	(200)	(470)	33,365
456	55,111	-	4,044	(25,662)
5,848	300,292	100,000	253,368	1,580,375
\$ 6,304	\$ 355,403	\$ 100,000	\$ 257,412	\$ 1,554,713

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 79,495	\$ 113,981
DUE FROM STATE OF COLORADO	<u>-</u>	<u>23,275</u>
	<u>\$ 79,495</u>	<u>\$ 137,256</u>
LIABILITIES		
DUE TO OTHER FUNDS	\$ -	\$ 15,047
FUND BALANCE		
RESTRICTED	<u>79,495</u>	<u>122,209</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 79,495</u>	<u>\$ 137,256</u>

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTERGOVERNMENTAL	\$ 68,041	\$ 82,000	\$ (13,959)	\$ 100,240
INTEREST	66	200	(134)	120
TOTAL REVENUES	68,107	82,200	(14,093)	100,360
EXPENDITURES				
RECREATION	110,821	335,000	224,179	261,722
REVENUES OVER (UNDER) EXPENDITURES	(42,714)	(252,800)	210,086	(161,362)
FUND BALANCE JANUARY 1	122,209	122,209	-	283,571
FUND BALANCE DECEMBER 31	<u>\$ 79,495</u>	<u>\$ (130,591)</u>	<u>\$ 210,086</u>	<u>\$ 122,209</u>

CITY OF LA JUNTA, COLORADO
ECONOMIC DEVELOPMENT FUND
BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 151,117	\$ 113,740
ACCOUNTS RECEIVABLE	<u>364</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 151,481</u></u>	<u><u>\$ 113,740</u></u>
LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
ASSIGNED	<u>151,481</u>	<u>113,740</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 151,481</u></u>	<u><u>\$ 113,740</u></u>

CITY OF LA JUNTA, COLORADO

ECONOMIC DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 1,047	\$ 400	\$ 647	\$ 298
TOTAL REVENUES	1,047	400	647	298
EXPENDITURES				
CONTRACT SERVICES	50,834	122,000	71,166	114,392
MISCELLANEOUS	6,060	400	(5,660)	-
TOTAL EXPENDITURES	56,894	122,400	65,506	114,392
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(55,847)	(122,000)	66,153	(114,094)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	89,742	114,500	(24,758)	77,367
CONTRIBUTIONS	3,846	-	3,846	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	37,741	(7,500)	45,241	(36,727)
FUND BALANCE JANUARY 1	113,740	113,740	-	150,467
FUND BALANCE DECEMBER 31	\$ 151,481	\$ 106,240	\$ 45,241	\$ 113,740

CITY OF LA JUNTA, COLORADO
LA JUNTA URBAN RENEWAL AUTHORITY
BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 518,517	\$ 622,132
NOTES RECEIVABLE	75,787	51,884
GRANT RECEIVABLE	10,049	-
ACCRUED INTEREST RECEIVABLE	1,986	-
DEPOSITS	<u>2,460</u>	<u>2,460</u>
TOTAL ASSETS	<u><u>\$ 608,799</u></u>	<u><u>\$ 676,476</u></u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 7,625	\$ -
UNEARNED REVENUE	<u>5,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>12,625</u>	<u>-</u>
FUND BALANCE		
NONSPENDABLE - NOTES RECEIVABLE	75,787	51,884
ASSIGNED	<u>520,387</u>	<u>624,592</u>
TOTAL FUND BALANCE	<u>596,174</u>	<u>676,476</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 608,799</u></u>	<u><u>\$ 676,476</u></u>

CITY OF LA JUNTA, COLORADO

LA JUNTA URBAN RENEWAL AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
PROPERTY TAXES	\$ 76,504	\$ 55,000	\$ 21,504	\$ 54,346
LOCAL FUNDS	1,200	1,200	-	1,200
GRANTS	17,970	-	17,970	-
INTEREST	5,771	1,600	4,171	2,298
MISCELLANEOUS	16,065	-	16,065	-
TOTAL REVENUES	117,510	57,800	59,710	57,844
EXPENDITURES				
ECONOMIC DEVELOPMENT	114,738	40,500	(74,238)	46,058
GENERAL GOVERNMENT	13,668	19,800	6,132	5,473
DEBT SERVICE	69,406	34,700	(34,706)	-
TOTAL EXPENDITURES	197,812	95,000	(102,812)	51,531
REVENUES OVER (UNDER) EXPENDITURES	(80,302)	(37,200)	(43,102)	6,313
FUND BALANCE JANUARY 1	676,476	676,476	-	670,163
FUND BALANCE DECEMBER 31	\$ 596,174	\$ 639,276	\$ (43,102)	\$ 676,476

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 8,444</u>	<u>\$ 8,442</u>
LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
ASSIGNED	<u>8,444</u>	<u>8,442</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,444</u>	<u>\$ 8,442</u>

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST	\$ 2	\$ -	\$ 2	\$ 7
OTHER	-	20,000	(20,000)	-
TOTAL REVENUES	2	20,000	(19,998)	7
EXPENDITURES				
ADMINISTRATION	-	20,000	20,000	-
REVENUES OVER (UNDER) EXPENDITURES	2	-	2	7
FUND BALANCE JANUARY 1	8,442	8,442	-	8,435
FUND BALANCE DECEMBER 31	<u>\$ 8,444</u>	<u>\$ 8,442</u>	<u>\$ 2</u>	<u>\$ 8,442</u>

CITY OF LA JUNTA, COLORADO
MOVING VIOLATION SURCHARGE
BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 6,304</u>	<u>\$ 5,848</u>
 LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ -</u>
 FUND BALANCE		
ASSIGNED	<u> 6,304</u>	<u> 5,848</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,304</u>	<u>\$ 5,848</u>

CITY OF LA JUNTA, COLORADO

MOVING VIOLATION SURCHARGE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
SURCHARGE	\$ 456	\$ 600	\$ (144)	\$ 432
EXPENDITURES				
CAPITAL OUTLAY	-	-	-	-
REVENUES OVER EXPENDITURES	456	600	(144)	432
FUND BALANCE JANUARY 1	5,848	5,848	-	5,416
FUND BALANCE DECEMBER 31	<u>\$ 6,304</u>	<u>\$ 6,448</u>	<u>\$ (144)</u>	<u>\$ 5,848</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 385,004	\$ 326,982
TAX RECEIVABLE	<u>10,838</u>	<u>8,310</u>
TOTAL ASSETS	<u>\$ 395,842</u>	<u>\$ 335,292</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 500	\$ -
DUE TO OTHER FUNDS	<u>39,939</u>	<u>35,000</u>
TOTAL LIABILITIES	<u>40,439</u>	<u>35,000</u>
FUND BALANCE		
ASSIGNED	<u>355,403</u>	<u>300,292</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 395,842</u>	<u>\$ 335,292</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
TOURISM TAX	\$ 166,973	\$ 135,000	\$ 31,973	\$ 152,025
INTEREST	84	100	(16)	65
OTHER	-	-	-	9,800
TOTAL REVENUES	167,057	135,100	31,957	161,890
EXPENDITURES				
ADVERTISING	64,182	42,000	(22,182)	13,151
SUPPLIES	5,000	15,000	10,000	15,000
EVENTS	37,179	45,000	7,821	48,145
ADMINISTRATIVE FEES	4,940	4,500	(440)	4,723
MISCELLANEOUS	645	700	55	1,996
TOTAL EXPENDITURES	111,946	107,200	(4,746)	83,015
REVENUES OVER (UNDER) EXPENDITURES	55,111	27,900	27,211	78,875
FUND BALANCE JANUARY 1	300,292	300,292	-	221,417
FUND BALANCE DECEMBER 31	\$ 355,403	\$ 328,192	\$ 27,211	\$ 300,292

CITY OF LA JUNTA, COLORADO

LIBRARY ENDOWMENT FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH IN SAVINGS	<u>\$ 100,000</u>	<u>\$ 100,000</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	<u>100,000</u>	<u>100,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 100,000</u>	<u>\$ 100,000</u>

CITY OF LA JUNTA, COLORADO

LIBRARY ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 200	\$ 200	\$ -	\$ 200
EXPENDITURES	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE OTHER	200	200	-	200
OTHER	(200)	(200)	-	(200)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE JANUARY 1	100,000	100,000	-	100,000
FUND BALANCE DECEMBER 31	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

CITY OF LA JUNTA, COLORADO
CEMETERY ENDOWMENT FUND
BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CASH AND EQUIVALENTS	\$ 256,294	\$ 249,194
ACCRUED INTEREST RECEIVABLE	159	154
DUE FROM OTHER FUNDS	<u>964</u>	<u>4,020</u>
TOTAL ASSETS	<u><u>\$ 257,417</u></u>	<u><u>\$ 253,368</u></u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 5	\$ -
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	<u>257,412</u>	<u>253,368</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 257,417</u></u>	<u><u>\$ 253,368</u></u>

CITY OF LA JUNTA

CEMETERY ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		VARIANCE	2016
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 524	\$ 400	\$ 124	\$ 450
EXPENDITURES	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE CONTRIBUTIONS AND OTHER	524	400	124	450
CONTRIBUTIONS	3,990	2,600	1,390	4,020
OTHER	(470)	(2,600)	2,130	(408)
NET CHANGE IN FUND BALANCE	4,044	400	3,644	4,062
FUND BALANCE JANUARY 1	253,368	253,368	-	249,306
FUND BALANCE DECEMBER 31	<u>\$ 257,412</u>	<u>\$ 253,768</u>	<u>\$ 3,644</u>	<u>\$ 253,368</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	2017	2016
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 4,021,940	\$ 4,567,808
ACCOUNTS RECEIVABLE BILLED CUSTOMERS - NET	647,763	671,707
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	620,600	592,700
PROJECT RECEIVABLE	-	-
BORROWINGS TO OTHER FUND - CURRENT	134,859	129,580
INVENTORIES	1,725,885	1,702,316
PREPAID AND ACCRUALS	3,555	4,697
TOTAL CURRENT ASSETS	7,154,602	7,668,808
PROPERTY AND EQUIPMENT		
LAND, ELECTRIC SYSTEM, AND EQUIPMENT	17,557,122	17,161,945
ACCUMULATED DEPRECIATION	(13,890,795)	(13,545,409)
NET PROPERTY AND EQUIPMENT	3,666,327	3,616,536
OTHER ASSETS		
BORROWINGS TO OTHER FUND	1,111,053	1,245,913
TOTAL ASSETS	\$ 11,931,982	\$ 12,531,257
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 758,360	\$ 788,688
CUSTOMER DEPOSITS	134,676	163,739
DUE TO OTHER FUND	2,908	-
TOTAL CURRENT LIABILITIES	895,944	952,427
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	338,179	343,682
TOTAL LIABILITIES	1,234,123	1,296,109
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	3,666,327	3,616,536
UNRESTRICTED	7,031,532	7,618,612
TOTAL NET POSITION	10,697,859	11,235,148
TOTAL LIABILITIES AND NET POSITION	\$ 11,931,982	\$ 12,531,257

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 11,278,773	\$ 11,115,077
OTHER	<u>-</u>	<u>34,697</u>
TOTAL OPERATING REVENUES	<u>11,278,773</u>	<u>11,149,774</u>
OPERATING EXPENSES		
GENERATION	9,318,900	9,246,042
DISTRIBUTION	929,438	773,662
ACCOUNTING AND GENERAL ADMINISTRATION	1,257,145	1,327,110
DEPRECIATION	<u>447,174</u>	<u>439,443</u>
TOTAL OPERATING EXPENSES	<u>11,952,657</u>	<u>11,786,257</u>
OPERATING (LOSS) INCOME	<u>(673,884)</u>	<u>(636,483)</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	68,897	71,808
OTHER	62,698	142,792
GAIN (LOSS) ON SALE OF ASSETS	<u>5,000</u>	<u>(8,606)</u>
TOTAL NONOPERATING REVENUES	<u>136,595</u>	<u>205,994</u>
CHANGE IN NET POSITION	(537,289)	(430,489)
NET POSITION JANUARY 1	<u>11,235,148</u>	<u>11,665,637</u>
NET POSITION DECEMBER 31	<u><u>\$ 10,697,859</u></u>	<u><u>\$ 11,235,148</u></u>

CITY OF LA JUNTA, COLORADO
ELECTRIC UTILITY FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 11,274,817	\$ 11,165,297
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(11,590,225)	(11,345,310)
OTHER OPERATING REVENUES	<u>-</u>	<u>34,697</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(315,408)</u>	<u>(145,316)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
OTHER REVENUES	62,698	142,792
CASH PROCEEDS (PAYMENTS) ON PROJECTS	-	4,599
CUSTOMER DEPOSITS	<u>(29,063)</u>	<u>18,589</u>
NET CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>33,635</u>	<u>165,980</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(468,715)	(323,708)
CASH PROCEEDS FROM SALE OF ASSET	5,000	468
BORROWINGS TO OTHER FUND	<u>129,581</u>	<u>124,507</u>
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(334,134)</u>	<u>(198,733)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND LOANS	<u>70,039</u>	<u>69,536</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(545,868)	(108,533)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>4,567,808</u>	<u>4,676,341</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 4,021,940</u>	<u>\$ 4,567,808</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ (673,884)	\$ (636,483)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	447,174	439,443
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(3,956)	50,220
(INCREASE) DECREASE IN INVENTORIES	(23,569)	(81,321)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(58,578)	65,999
INCREASE (DECREASE) IN ACCRUED BENEFITS	(5,503)	16,826
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	<u>2,908</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (315,408)</u>	<u>\$ (145,316)</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	<u>\$ 28,250</u>	<u>\$ -</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 11,078,000	\$ 11,078,000	\$ 11,278,773	\$ 200,773
INTEREST INCOME	7,000	7,000	68,897	61,897
OTHER	277,000	277,000	67,698	(209,302)
TOTAL REVENUES	11,362,000	11,362,000	11,415,368	53,368
EXPENDITURES				
GENERATION	9,386,300	9,386,300	9,318,900	67,400
DISTRIBUTION	1,039,900	1,074,900	929,438	145,462
GENERAL ADMINISTRATION	1,305,100	1,305,100	1,257,145	47,955
DEPRECIATION	420,000	420,000	447,174	(27,174)
CAPITAL OUTLAY	507,000	570,000	496,965	73,035
TOTAL EXPENDITURES	12,658,300	12,756,300	12,449,622	306,678
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,296,300)	\$ (1,394,300)	(1,034,254)	\$ 360,046
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR: CAPITALIZATION OF FIXED ASSETS			496,965	
CHANGE IN NET POSITION			(537,289)	
NET POSITION JANUARY 1			11,235,148	
TOTAL NET POSITION DECEMBER 31			\$ 10,697,859	

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	2017	2016
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 500,152	\$ 469,912
ACCOUNTS RECEIVABLE - CUSTOMERS	167,995	152,470
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	69,500	82,000
INVENTORIES	390,981	418,003
WATER INVENTORY	44,559	47,360
PREPAID AND ACCRUALS	25,649	25,265
TOTAL CURRENT ASSETS	1,198,836	1,195,010
PROPERTY AND EQUIPMENT		
LAND, WATER SYSTEM, AND EQUIPMENT	25,809,216	25,773,849
ACCUMULATED DEPRECIATION	(12,632,495)	(12,190,403)
NET PROPERTY AND EQUIPMENT	13,176,721	13,583,446
TOTAL ASSETS	\$ 14,375,557	\$ 14,778,456
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 10,041	\$ 22,345
ACCRUED WATER STORAGE FEE	11,840	11,840
ACCRUED LOAN INTEREST	50,749	52,110
DUE TO OTHER FUNDS	2,908	-
UNEARNED REVENUE - WATER LEASES	8,458	8,458
CURRENT PORTION - LOAN PAYABLE	667,411	651,111
TOTAL CURRENT LIABILITIES	751,407	745,864
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	188,213	174,041
LOAN PAYABLE	3,600,382	4,267,793
TOTAL NONCURRENT LIABILITIES	3,788,595	4,441,834
TOTAL LIABILITIES	4,540,002	5,187,698
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	8,908,928	8,664,542
RESTRICTED FOR OPERATIONS & MAINTENANCE	476,000	491,800
UNRESTRICTED	450,627	434,416
TOTAL NET POSITION	9,835,555	9,590,758
TOTAL LIABILITIES AND NET POSITION	\$ 14,375,557	\$ 14,778,456

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 2,556,019	\$ 2,763,963
OTHER	180,724	136,330
TOTAL OPERATING REVENUES	2,736,743	2,900,293
OPERATING EXPENSES		
SOURCE OF SUPPLY	123,155	98,691
POWER AND PUMPING	224,496	245,381
PURIFICATION	642,071	680,359
TRANSMISSION AND STORAGE	54,277	37,317
DISTRIBUTION	268,415	281,931
ACCOUNTING AND GENERAL ADMINISTRATION	590,071	623,157
DEPRECIATION	506,685	509,056
TOTAL OPERATING EXPENSES	2,409,170	2,475,892
OPERATING INCOME	327,573	424,401
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	904	500
INTEREST EXPENSE	(125,328)	(139,300)
RENT AND OTHER	27,998	34,118
GAIN (LOSS) ON SALE OF ASSETS	-	27,152
TOTAL NONOPERATING REVENUES (EXPENSES)	(96,426)	(77,530)
INCOME BEFORE CAPITAL CONTRIBUTIONS	231,147	346,871
CAPITAL CONTRIBUTIONS	13,650	48,255
CHANGE IN NET POSITION	244,797	395,126
NET POSITION JANUARY 1	9,590,758	9,195,632
NET POSITION DECEMBER 31	\$ 9,835,555	\$ 9,590,758

CITY OF LA JUNTA, COLORADO
WATER UTILITY FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,552,994	\$ 2,753,437
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(1,867,886)	(2,060,792)
OTHER OPERATING REVENUES	180,724	136,330
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>865,832</u>	<u>828,975</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
RENTS RECEIVED AND OTHER	<u>27,998</u>	<u>29,418</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(99,960)	(77,178)
CASH PROCEEDS FROM SALE OF ASSETS	-	27,152
CAPITAL CONTRIBUTED	13,650	48,255
PRINCIPAL PAID ON LOANS PAYABLE	(651,111)	(634,812)
INTEREST PAID ON LOANS PAYABLE	<u>(126,689)</u>	<u>(144,182)</u>
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(864,110)</u>	<u>(780,765)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	<u>520</u>	<u>499</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	30,240	78,127
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>469,912</u>	<u>391,785</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 500,152</u>	<u>\$ 469,912</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 327,573	\$ 424,401
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	506,685	509,056
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(3,025)	(10,526)
(INCREASE) DECREASE IN INVENTORIES	29,823	(51,721)
(INCREASE) DECREASE IN PREPAIDS	-	(25,074)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(12,304)	(40,253)
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	2,908	-
INCREASE (DECREASE) IN ACCRUED EXPENSES	<u>14,172</u>	<u>23,092</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 865,832</u>	<u>\$ 828,975</u>

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 2,754,000	\$ 2,754,000	\$ 2,556,019	\$ (197,981)
INTEREST INCOME	1,000	1,000	904	(96)
OTHER	199,800	199,800	208,722	8,922
TOTAL REVENUES	2,954,800	2,954,800	2,765,645	(189,155)
EXPENDITURES				
SOURCE OF SUPPLY	154,600	154,600	123,155	31,445
POWER AND PUMPING	259,800	259,800	224,496	35,304
PURIFICATION	686,900	686,900	642,071	44,829
TRANSMISSION AND STORAGE	45,800	45,800	54,277	(8,477)
DISTRIBUTION	328,900	328,900	268,415	60,485
GENERAL ADMINISTRATION	636,900	659,900	590,071	69,829
DEPRECIATION AND AMORTIZATION	525,000	525,000	506,685	18,315
INTEREST	144,000	144,000	125,328	18,672
CAPITAL OUTLAY	350,000	350,000	99,960	250,040
DEBT SERVICE	635,500	635,500	651,111	(15,611)
TOTAL EXPENDITURES	3,767,400	3,790,400	3,285,569	504,831
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(812,600)	(835,600)	(519,924)	315,676
OTHER FINANCING SOURCES (USES)				
CONTRIBUTIONS	5,000	5,000	13,650	8,650
	<u>\$ (807,600)</u>	<u>\$ (830,600)</u>	<u>(506,274)</u>	<u>\$ 324,326</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			99,960	
PRINCIPAL PAID ON LOANS			651,111	
TOTAL ADJUSTMENTS TO BASIS			751,071	
CHANGE IN NET POSITION			244,797	
TOTAL NET POSITION JANUARY 1			9,590,758	
TOTAL NET POSITION DECEMBER 31			<u>\$ 9,835,555</u>	

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	2017	2016
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 94,881	\$ 285,589
CASH WITH TRUSTEE	10,340,168	12,500,233
ACCOUNTS RECEIVABLE - CUSTOMERS	165,933	163,180
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	98,400	75,800
GRANT RECEIVABLE	-	21,727
INVENTORIES	19,151	17,147
TOTAL CURRENT ASSETS	10,718,533	13,063,676
PROPERTY AND EQUIPMENT		
LAND, SEWER SYSTEM, AND EQUIPMENT	17,882,096	13,804,275
ACCUMULATED DEPRECIATION	(9,173,229)	(8,909,211)
NET PROPERTY AND EQUIPMENT	8,708,867	4,895,064
TOTAL ASSETS	\$ 19,427,400	\$ 17,958,740
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 1,573,894	\$ 13,509
ACCRUED INTEREST	108,641	112,819
DUE TO OTHER FUNDS	2,120	-
CURRENT PORTION - LOANS PAYABLE	542,271	531,937
TOTAL CURRENT LIABILITIES	2,226,926	658,265
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	186,093	167,160
LOANS PAYABLE	11,836,197	12,378,463
TOTAL NONCURRENT LIABILITIES	12,022,290	12,545,623
TOTAL LIABILITIES	14,249,216	13,203,888
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	6,670,567	4,484,897
RESTRICTED FOR OPERATIONS & MAINTENANCE	318,000	291,600
UNRESTRICTED	(1,810,383)	(21,645)
TOTAL NET POSITION	5,178,184	4,754,852
TOTAL LIABILITIES AND NET POSITION	\$ 19,427,400	\$ 17,958,740

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 2,173,121	\$ 2,152,828
OPERATING EXPENSES		
COLLECTION SYSTEM	255,929	237,421
PUMPING STATIONS	75,306	93,208
TREATMENT PLANT	584,343	480,354
PRETREATMENT	62,849	63,636
ACCOUNTING AND GENERAL ADMINISTRATION	292,228	291,415
DEPRECIATION	267,955	276,837
TOTAL OPERATING EXPENSES	1,538,610	1,442,871
OPERATING INCOME (LOSS)	634,511	709,957
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	350	50
INTEREST EXPENSE	(205,342)	(245,252)
GRANT AND OTHER	9,323	255,303
GAIN (LOSS) ON SALE OF ASSETS	(16,310)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(211,979)	10,101
INCOME BEFORE CAPITAL CONTRIBUTIONS	422,532	720,058
CAPITAL CONTRIBUTIONS	800	2,800
CHANGE IN NET POSITION	423,332	722,858
NET POSITION JANUARY 1	4,754,852	4,031,994
NET POSITION DECEMBER 31	\$ 5,178,184	\$ 4,754,852

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,147,768	\$ 2,118,486
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(1,251,314)	(1,185,043)
NET CASH PROVIDED BY OPERATING ACTIVITIES	896,454	933,443
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
GRANT AND OTHER	31,050	233,576
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(2,537,975)	(1,380,634)
CAPITAL CONTRIBUTED	800	2,800
PRINCIPAL PAID ON LOANS PAYABLE	(531,932)	(524,849)
INTEREST PAID ON LOANS PAYABLE	(209,520)	(248,423)
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,278,627)	(2,151,106)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	350	50
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,350,773)	(984,037)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	12,785,822	13,769,859
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 10,435,049	\$ 12,785,822
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 634,511	\$ 709,957
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	267,955	276,837
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(25,353)	(34,342)
(INCREASE) DECREASE IN INVENTORIES	(2,004)	(367)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	292	4,827
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	2,120	-
INCREASE (DECREASE) IN ACCRUED BENEFITS	18,933	(23,469)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 896,454	\$ 933,443
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ 1,560,093	\$ -

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 2,233,000	\$ 2,233,000	\$ 2,173,121	\$ (59,879)
INTEREST INCOME	1,000	1,000	350	(650)
OTHER INCOME (LOSS)	-	-	9,323	9,323
TOTAL REVENUES	2,234,000	2,234,000	2,182,794	(51,206)
EXPENDITURES				
COLLECTION SYSTEM	263,100	263,100	255,929	7,171
PUMPING STATION	92,800	92,800	75,306	17,494
TREATMENT PLANT	644,300	644,300	584,343	59,957
PRETREATMENT	66,300	66,300	62,849	3,451
GENERAL ADMINISTRATION	317,700	317,700	308,538	9,162
DEPRECIATION	350,000	350,000	267,955	82,045
INTEREST	276,000	276,000	205,342	70,658
CAPITAL OUTLAY	8,241,000	8,241,000	4,098,068	4,142,932
DEBT SERVICE	509,000	509,000	531,932	(22,932)
TOTAL EXPENDITURES	10,760,200	10,760,200	6,390,262	4,369,938
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(8,526,200)	(8,526,200)	(4,207,468)	4,318,732
OTHER FINANCING SOURCES				
BOND PROCEEDS	8,166,000	8,166,000	2,160,065	(6,005,935)
CONTRIBUTIONS	-	-	800	800
	\$ (360,200)	\$ (360,200)	(2,046,603)	\$ (1,686,403)
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			4,098,068	
PRINCIPAL PAID ON LOANS			531,932	
BOND PROCEEDS			(2,160,065)	
TOTAL ADJUSTMENTS TO BASIS			2,469,935	
CHANGE IN NET POSITION			423,332	
TOTAL NET POSITION JANUARY 1			4,754,852	
TOTAL NET POSITION DECEMBER 31			\$ 5,178,184	

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,608,867	\$ 1,496,170
ACCOUNTS RECEIVABLE - CUSTOMERS	62,330	61,677
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	33,300	29,700
INVENTORIES	9,000	5,242
PREPAID AND ACCRUALS	<u>157</u>	<u>123</u>
TOTAL CURRENT ASSETS	<u>1,713,654</u>	<u>1,592,912</u>
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	827,463	1,168,745
ACCUMULATED DEPRECIATION	<u>(576,744)</u>	<u>(804,582)</u>
NET PROPERTY AND EQUIPMENT	<u>250,719</u>	<u>364,163</u>
TOTAL ASSETS	<u><u>\$ 1,964,373</u></u>	<u><u>\$ 1,957,075</u></u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 6,411	\$ 48,891
DUE TO OTHER FUNDS	3,346	-
CURRENT PORTION - LANDFILL COSTS	<u>15,960</u>	<u>21,800</u>
TOTAL CURRENT LIABILITIES	<u>25,717</u>	<u>70,691</u>
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	29,868	35,289
ACCRUED CLOSURE AND POST CLOSURE COSTS	<u>516,040</u>	<u>705,200</u>
TOTAL NONCURRENT LIABILITIES	<u>545,908</u>	<u>740,489</u>
TOTAL LIABILITIES	<u>571,625</u>	<u>811,180</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	250,719	364,163
UNRESTRICTED	<u>1,142,029</u>	<u>781,732</u>
TOTAL NET POSITION	<u>1,392,748</u>	<u>1,145,895</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,964,373</u></u>	<u><u>\$ 1,957,075</u></u>

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 860,215	\$ 838,898
OTHER	27,232	39,457
TOTAL OPERATING REVENUES	887,447	878,355
OPERATING EXPENSES		
SALARIES AND BENEFITS	301,777	318,723
SUPPLIES	60,510	158,289
MAINTENANCE	60,035	83,207
RECYCLING	14,942	14,280
LANDFILL AND POST CLOSURE COSTS	152,116	116,562
ACCOUNTING AND GENERAL ADMINISTRATION	103,286	104,634
DEPRECIATION	83,606	79,390
TOTAL OPERATING EXPENSES	776,272	875,085
OPERATING INCOME	111,175	3,270
NONOPERATING REVENUES		
INTEREST INCOME	1,165	747
GAIN (LOSS) ON SALE OF ASSETS	(27,337)	2,500
TOTAL NONOPERATING REVENUES	(26,172)	3,247
INCOME BEFORE SPECIAL ITEM	85,003	6,517
SPECIAL ITEM		
CHANGE IN ACCOUNTING ESTIMATE	161,850	-
CHANGE IN NET POSITION	246,853	6,517
NET POSITION JANUARY 1	1,145,895	1,139,378
NET POSITION DECEMBER 31	\$ 1,392,748	\$ 1,145,895

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 855,962	\$ 844,773
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(765,355)	(844,783)
OTHER OPERATING REVENUES	27,232	39,457
NET CASH PROVIDED BY OPERATING ACTIVITIES	117,839	39,447
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(8,773)	(86,480)
CASH PROCEEDS FROM SALE OF ASSET	2,500	2,500
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(6,273)	(83,980)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	1,131	747
NET CHANGE IN CASH AND CASH EQUIVALENTS	112,697	(43,786)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,496,170	1,539,956
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,608,867	\$ 1,496,170
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 111,175	\$ 3,270
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	83,606	79,390
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(4,253)	5,875
(INCREASE) DECREASE IN INVENTORIES	(3,758)	(522)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(33,706)	30,799
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	3,346	-
INCREASE (DECREASE) IN ACCRUED POST CLOSURE COSTS	(33,150)	(73,442)
INCREASE (DECREASE) IN ACCRUED BENEFITS	(5,421)	(5,923)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 117,839	\$ 39,447
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ -	\$ 8,774

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 839,300	\$ 839,300	\$ 860,215	\$ 20,915
INTEREST	600	600	1,165	565
OTHER	27,000	27,000	27,232	232
TOTAL REVENUES	866,900	866,900	888,612	21,712
EXPENDITURES				
SALARIES AND BENEFITS	376,500	376,500	301,777	74,723
SUPPLIES	110,000	110,000	60,510	49,490
MAINTENANCE	62,800	62,800	60,035	2,765
RECYCLING	16,000	16,000	14,942	1,058
LANDFILL AND POST CLOSURE COSTS	320,000	320,000	152,116	167,884
GENERAL ADMINISTRATION	97,500	97,500	130,623	(33,123)
DEPRECIATION	80,000	80,000	83,606	(3,606)
CAPITAL OUTLAY	45,000	45,000	-	45,000
TOTAL EXPENDITURES	1,107,800	1,107,800	803,609	304,191
REVENUE OVER (UNDER) EXPENDITURES	(240,900)	(240,900)	85,003	325,903
SPECIAL ITEM				
CHANGE IN ACCOUNTING ESTIMATE	-	-	161,850	161,850
CHANGE IN NET POSITION	\$ (240,900)	\$ (240,900)	246,853	\$ 487,753
TOTAL NET POSITION JANUARY 1			1,145,895	
TOTAL NET POSITION DECEMBER 31			\$ 1,392,748	

CITY OF LA JUNTA, COLORADO
PROPERTY MANAGEMENT FUND
BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 519,207	\$ 602,521
RENT RECEIVABLE	43,938	5,319
TOTAL CURRENT ASSETS	<u>563,145</u>	<u>607,840</u>
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	19,172,632	20,030,527
ACCUMULATED DEPRECIATION	<u>(8,824,743)</u>	<u>(9,389,923)</u>
NET PROPERTY AND EQUIPMENT	<u>10,347,889</u>	<u>10,640,604</u>
TOTAL ASSETS	<u><u>\$ 10,911,034</u></u>	<u><u>\$ 11,248,444</u></u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 45,445	\$ 10,478
ACCRUED PROPERTY TAXES	50,271	1,465
DUE TO OTHER FUND	1,121	22,699
UNEARNED LEASE REVENUES - CURRENT	41,738	43,021
BORROWINGS FROM OTHER FUND - CURRENT	<u>134,859</u>	<u>129,580</u>
TOTAL CURRENT LIABILITIES	<u>273,434</u>	<u>207,243</u>
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	74,252	64,408
UNEARNED LEASE REVENUES	789,523	766,261
BORROWINGS FROM OTHER FUND	<u>1,111,053</u>	<u>1,245,913</u>
TOTAL NONCURRENT LIABILITIES	<u>1,974,828</u>	<u>2,076,582</u>
TOTAL LIABILITIES	<u>2,248,262</u>	<u>2,283,825</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	9,101,977	9,265,111
UNRESTRICTED	<u>(439,205)</u>	<u>(300,492)</u>
TOTAL NET POSITION	<u>8,662,772</u>	<u>8,964,619</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 10,911,034</u></u>	<u><u>\$ 11,248,444</u></u>

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
RENT	\$ 1,153,819	\$ 1,009,819
OPERATING EXPENSES		
SALARIES AND BENEFITS	199,462	182,655
UTILITIES	83,984	100,228
MAINTENANCE	127,509	94,770
PROPERTY TAXES	60,751	-
OTHER	22,206	16,390
GENERAL ADMINISTRATION	186,986	177,403
DEPRECIATION	659,489	667,677
TOTAL OPERATING EXPENSES	1,340,387	1,239,123
OPERATING INCOME (LOSS)	(186,568)	(229,304)
NONOPERATING REVENUES (EXPENSES)		
INTEREST	900	1,051
INSURANCE PROCEEDS	9,998	26,864
GAIN (LOSS) ON SALE OF ASSET	(50,876)	279
OTHER	24,441	877
TOTAL NONOPERATING REVENUES (EXPENSES)	(15,537)	29,071
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	(202,105)	(200,233)
OTHER FINANCING SOURCES (USES)		
TRANSFERS OUT	(99,742)	(87,367)
CHANGE IN NET POSITION	(301,847)	(287,600)
NET POSITION JANUARY 1	8,964,619	9,252,219
NET POSITION DECEMBER 31	\$ 8,662,772	\$ 8,964,619

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM RENT	\$ 1,137,179	\$ 1,161,388
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(603,244)	(552,229)
NET CASH PROVIDED BY OPERATING ACTIVITIES	533,935	609,159
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS IN (OUT)	(99,742)	(87,367)
OTHER	24,441	1,156
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(75,301)	(86,211)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(423,265)	(871,552)
BORROWINGS FROM OTHER FUND	(129,581)	(124,507)
INSURANCE PROCEEDS	9,998	26,864
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(542,848)	(969,195)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	900	1,202
NET CHANGE IN CASH AND CASH EQUIVALENTS	(83,314)	(445,045)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	602,521	1,047,566
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 519,207	\$ 602,521
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ (186,568)	\$ (229,304)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	659,489	667,677
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN RECEIVABLES	(38,619)	2,587
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	40,582	(1,456)
INCREASE (DECREASE) IN DEFERRED REVENUE	21,979	148,982
INCREASE (DECREASE) IN DUE TO OTHER FUND	(21,578)	22,699
INCREASE (DECREASE) IN ACCRUED TAXES	48,806	(8,639)
INCREASE (DECREASE) IN ACCRUED BENEFITS	9,844	6,613
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 533,935	\$ 609,159
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ -	\$ 5,615

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
RENT	\$ 855,000	\$ 855,000	\$ 1,153,819	\$ 298,819
INTEREST	400	400	900	500
OTHER	4,000	64,000	34,439	(29,561)
TOTAL REVENUES	859,400	919,400	1,189,158	269,758
EXPENDITURES				
SALARIES AND BENEFITS	189,400	189,400	199,462	(10,062)
UTILITIES	95,600	95,600	83,984	11,616
MAINTENANCE	80,000	80,000	127,509	(47,509)
PROPERTY TAXES	10,000	10,000	60,751	(50,751)
OTHER	19,900	19,900	73,082	(53,182)
GENERAL ADMINISTRATION	190,300	190,300	186,986	3,314
DEPRECIATION	600,000	600,000	659,489	(59,489)
CAPITAL OUTLAY	347,000	428,000	1,252,648	(824,648)
TOTAL EXPENDITURES	1,532,200	1,613,200	2,643,911	(1,030,711)
REVENUES OVER (UNDER) EXPENDITURES	(672,800)	(693,800)	(1,454,753)	(760,953)
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT	(124,500)	(124,500)	(99,742)	24,758
	<u>\$ (797,300)</u>	<u>\$ (818,300)</u>	(1,554,495)	<u>\$ (736,195)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			1,252,648	
CHANGE IN NET POSITION			(301,847)	
TOTAL NET POSITION JANUARY 1			8,964,619	
TOTAL NET POSITION DECEMBER 31			<u>\$ 8,662,772</u>	

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS MEMORANDUM ONLY	
			2017	2016
CURRENT ASSETS				
CASH OR EQUIVALENTS	\$ 1,895,050	\$ 2,184,859	\$ 4,079,909	\$ 4,126,459
ACCOUNTS RECEIVABLE (NET)	4,505	-	4,505	5,579
PREPAID AND ACCRUALS	1,179	27	1,206	920
INVENTORIES	49,170	-	49,170	27,551
TOTAL CURRENT ASSETS	1,949,904	2,184,886	4,134,790	4,160,509
PROPERTY AND EQUIPMENT				
LAND, BUILDINGS AND EQUIPMENT	4,764,725	-	4,764,725	4,583,543
ACCUMULATED DEPRECIATION	(3,334,612)	-	(3,334,612)	(3,161,127)
NET PROPERTY AND EQUIPMENT	1,430,113	-	1,430,113	1,422,416
TOTAL ASSETS	<u>\$ 3,380,017</u>	<u>\$ 2,184,886</u>	<u>\$ 5,564,903</u>	<u>\$ 5,582,925</u>
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 6,849	\$ -	\$ 6,849	\$ 58,329
CLAIMS PAYABLE	-	145,000	145,000	151,000
TOTAL CURRENT LIABILITIES	6,849	145,000	151,849	209,329
NONCURRENT LIABILITIES				
ACCRUED BENEFITS	121,146	-	121,146	117,890
TOTAL LIABILITIES	127,995	145,000	272,995	327,219
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	1,430,113	-	1,430,113	1,422,416
UNRESTRICTED	1,821,909	2,039,886	3,861,795	3,833,290
TOTAL NET POSITION	3,252,022	2,039,886	5,291,908	5,255,706
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,380,017</u>	<u>\$ 2,184,886</u>	<u>\$ 5,564,903</u>	<u>\$ 5,582,925</u>

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS MEMORANDUM ONLY	
			2017	2016
OPERATING REVENUES				
CHARGES FOR SERVICES	\$ 1,094,034	\$ 1,294,301	\$ 2,388,335	\$ 2,225,321
OPERATING EXPENSES				
PERSONAL SERVICES,	879,729	1,244,032	2,123,761	1,810,342
MATERIALS AND SUPPLIES	237,231	-	237,231	203,211
DEPRECIATION				
TOTAL OPERATING EXPENSES	1,116,960	1,244,032	2,360,992	2,013,553
OPERATING INCOME	(22,926)	50,269	27,343	211,768
NONOPERATING REVENUES (EXPENSES)				
INTEREST INCOME	7,609	925	8,534	4,049
RENT AND OTHER	325	-	325	9,302
TOTAL NONOPERATING REVENUES (EXPENSES)	7,934	925	8,859	13,351
CHANGE IN NET POSITION	(14,992)	51,194	36,202	225,119
NET POSITION JANUARY 1	3,267,014	1,988,692	5,255,706	5,030,587
NET POSITION DECEMBER 31	\$ 3,252,022	\$ 2,039,886	\$ 5,291,908	\$ 5,255,706

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS MEMORANDUM ONLY	
			2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH RECEIVED FROM CUSTOMERS	\$ 1,095,099	\$ 1,294,301	\$ 2,389,400	\$ 2,222,855
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(902,722)	(1,250,032)	(2,152,754)	(1,772,536)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	192,377	44,269	236,646	450,319
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
ACQUISITION OF CAPITAL ASSETS	(291,778)	-	(291,778)	(165,458)
SALE OF ASSETS	325	-	325	9,302
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(291,453)	-	(291,453)	(156,156)
CASH FLOWS FROM INVESTING ACTIVITIES				
INTEREST ON INVESTMENTS	7,350	907	8,257	4,043
NET CHANGE IN CASH AND CASH EQUIVALENTS	(91,726)	45,176	(46,550)	298,206
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,986,776	2,139,683	4,126,459	3,828,253
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,895,050	\$ 2,184,859	\$ 4,079,909	\$ 4,126,459
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
OPERATING INCOME (LOSS)	\$ (22,926)	\$ 50,269	\$ 27,343	\$ 211,768
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	237,231	-	237,231	203,211
CHANGE IN ASSETS AND LIABILITIES				
(INCREASE) DECREASE IN RECEIVABLES	1,065	-	1,065	(2,466)
(INCREASE) DECREASE IN INVENTORIES	(21,619)	-	(21,619)	1,572
INCREASE (DECREASE) IN PAYABLES	(4,630)	(6,000)	(10,630)	32,299
INCREASE (DECREASE) IN ACCRUED BENEFITS	3,256	-	3,256	3,935
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 192,377	\$ 44,269	\$ 236,646	\$ 450,319
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES				
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ 46,850

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	2017	2016
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,895,050	\$ 1,986,776
ACCOUNTS RECEIVABLE	4,505	5,570
ACCRUED INTEREST	1,179	920
INVENTORIES	49,170	27,551
TOTAL CURRENT ASSETS	1,949,904	2,020,817
PROPERTY AND EQUIPMENT		
LAND	50,000	50,000
EQUIPMENT	3,112,498	2,931,316
STRUCTURES AND IMPROVEMENTS	1,602,227	1,602,227
ACCUMULATED DEPRECIATION	(3,334,612)	(3,161,127)
NET PROPERTY AND EQUIPMENT	1,430,113	1,422,416
TOTAL ASSETS	\$ 3,380,017	\$ 3,443,233
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 6,849	\$ 58,329
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	121,146	117,890
TOTAL LIABILITIES	127,995	176,219
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,430,113	1,422,416
UNRESTRICTED	1,821,909	1,844,598
TOTAL NET POSITION	3,252,022	3,267,014
TOTAL LIABILITIES AND NET POSITION	\$ 3,380,017	\$ 3,443,233

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
MAINTENANCE SERVICES AND RENTALS	\$ 740,734	\$ 668,034
PURCHASING DEPARTMENT	225,100	239,900
COMPUTER SERVICES	128,200	127,000
TOTAL OPERATING REVENUES	1,094,034	1,034,934
OPERATING EXPENSES		
MOTOR POOL SERVICES	565,375	549,327
PURCHASING DEPARTMENT	197,075	186,508
COMPUTER SUPPLIES AND TRAINING	117,279	104,586
DEPRECIATION	237,231	203,211
TOTAL OPERATING EXPENSES	1,116,960	1,043,632
OPERATING INCOME (LOSS)	(22,926)	(8,698)
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	7,609	3,394
GAIN ON SALE OF ASSETS	325	9,302
TOTAL NONOPERATING REVENUES	7,934	12,696
CHANGE IN NET POSITION	(14,992)	3,998
NET POSITION JANUARY 1	3,267,014	3,263,016
NET POSITION DECEMBER 31	\$ 3,252,022	\$ 3,267,014

CITY OF LA JUNTA, COLORADO
CITY SERVICES FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,095,099	\$ 1,032,468
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	<u>(902,722)</u>	<u>(831,615)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>192,377</u>	<u>200,853</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(291,778)	(165,458)
SALE OF ASSETS	<u>325</u>	<u>9,302</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(291,453)</u>	<u>(156,156)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	<u>7,350</u>	<u>3,391</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(91,726)	48,088
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,986,776</u>	<u>1,938,688</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u><u>\$ 1,895,050</u></u>	<u><u>\$ 1,986,776</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (22,926)	\$ (8,698)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	237,231	203,211
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	1,065	(2,466)
(INCREASE) DECREASE IN INVENTORIES	(21,619)	1,572
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(4,630)	3,299
INCREASE (DECREASE) IN ACCRUED BENEFITS	<u>3,256</u>	<u>3,935</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 192,377</u></u>	<u><u>\$ 200,853</u></u>
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	<u><u>\$ -</u></u>	<u><u>\$ 46,850</u></u>

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2017

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MAINTENANCE SERVICES	\$ 721,800	\$ 721,800	\$ 740,734	\$ 18,934
PURCHASING DEPARTMENT	225,100	225,100	225,100	-
COMPUTER RENTAL	128,100	128,100	128,200	100
INTEREST	2,000	2,000	7,609	5,609
OTHER	20,000	20,000	325	(19,675)
TOTAL REVENUES	1,097,000	1,097,000	1,101,968	4,968
EXPENDITURES				
MOTOR POOL SERVICES	597,400	604,200	565,375	38,825
PURCHASING DEPARTMENT	195,100	195,100	197,075	(1,975)
COMPUTER SUPPLIES AND TRAINING	114,400	114,400	117,279	(2,879)
DEPRECIATION	225,000	225,000	237,231	(12,231)
CAPITAL OUTLAY	332,000	381,000	244,928	136,072
TOTAL EXPENDITURES	1,463,900	1,519,700	1,361,888	157,812
REVENUES OVER (UNDER) EXPENDITURES	(366,900)	(422,700)	(259,920)	162,780
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			244,928	
CHANGE IN NET POSITION			(14,992)	
TOTAL NET POSITION JANUARY 1			3,267,014	
TOTAL NET POSITION DECEMBER 31			\$ 3,252,022	

CITY OF LA JUNTA, COLORADO
EMPLOYEE BENEFIT CLAIM FUND
BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 2,184,859	\$ 2,139,683
PREPAIDS AND ACCRUALS	<u>27</u>	<u>9</u>
TOTAL CURRENT ASSETS	<u><u>\$ 2,184,886</u></u>	<u><u>\$ 2,139,692</u></u>
 CURRENT LIABILITIES		
CLAIMS PAYABLE	\$ 145,000	\$ 151,000
 NET POSITION		
UNRESTRICTED	<u>2,039,886</u>	<u>1,988,692</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,184,886</u></u>	<u><u>\$ 2,139,692</u></u>

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
CHARGES FOR SERVICES-PREMIUMS	<u>\$ 1,294,301</u>	<u>\$ 1,190,387</u>
OPERATING EXPENSES		
INSURANCE	395,794	353,923
CLAIMS	795,632	570,941
ADMINISTRATION	<u>52,606</u>	<u>45,057</u>
TOTAL OPERATING EXPENSES	<u>1,244,032</u>	<u>969,921</u>
OPERATING INCOME	50,269	220,466
NONOPERATING REVENUES		
INTEREST	<u>925</u>	<u>655</u>
CHANGE IN NET POSITION	51,194	221,121
NET POSITION JANUARY 1	<u>1,988,692</u>	<u>1,767,571</u>
NET POSITION DECEMBER 31	<u><u>\$ 2,039,886</u></u>	<u><u>\$ 1,988,692</u></u>

CITY OF LA JUNTA, COLORADO
EMPLOYEE BENEFIT CLAIM FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,294,301	\$ 1,190,387
CASH PAYMENTS FOR PREMIUMS AND CLAIMS	<u>(1,250,032)</u>	<u>(940,921)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	44,269	249,466
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	<u>907</u>	<u>652</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	45,176	250,118
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>2,139,683</u>	<u>1,889,565</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u><u>\$ 2,184,859</u></u>	<u><u>\$ 2,139,683</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 50,269	\$ 220,466
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
CHANGE IN ASSETS AND LIABILITIES		
INCREASE (DECREASE) IN CLAIMS PAYABLE	<u>(6,000)</u>	<u>29,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 44,269</u></u>	<u><u>\$ 249,466</u></u>

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2017

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUES				
CHARGES FOR SERVICES-PREMIUMS	\$ 1,045,600	\$ 1,045,600	\$ 1,294,301	\$ 248,701
OPERATING EXPENSES				
INSURANCE	356,000	356,000	395,794	(39,794)
CLAIMS	500,000	500,000	795,632	(295,632)
ADMINISTRATION	41,000	41,000	52,606	(11,606)
TOTAL OPERATING EXPENSES	897,000	897,000	1,244,032	(347,032)
OPERATING INCOME(LOSS)	148,600	148,600	50,269	(98,331)
NONOPERATING REVENUES - INTEREST	500	500	925	425
CHANGE IN NET POSITION	149,100	149,100	51,194	(97,906)
NET POSITION JANUARY 1	1,988,692	1,988,692	1,988,692	-
NET POSITION DECEMBER 31	\$ 2,137,792	\$ 2,137,792	\$ 2,039,886	\$ (97,906)

SINGLE AUDIT SECTION

CITY OF LA JUNTA, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2017

PROGRAM TITLE	Federal CFDA Number	Grant Number / Pass Through Number	Program Award Amount	Passed through to Subrecipients	Expenditures
U.S. DEPARTMENT OF JUSTICE					
Direct Programs:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-16-013880- 01-01	15,390	-	\$ 1,853
U.S. DEPARTMENT OF TRANSPORTATION					
Direct Programs:					
National Infrastructure Investments Program	20.933	FR-TII-0040-17-01- 00	15,210,143	-	6,097,545
Passed Through the Colorado Department of Transportation					
Airport Improvement Program	20.106	3-08-035-012-2017	600,218	-	526,157
Passed Through the Colorado Department of Transportation					
Public Transportation for Non Urbanized Areas	20.509	10-HTD-04478	68,950	-	68,950
Total U.S. Department of Transportation					6,692,652
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Assistance Programs for Chronic Disease Prevention and Control	93.945	AD,999A,20170000 000000537491,1	1,045	-	1,045
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Passed Through Colorado Water Resources and Power Development Authority:					
Capitalization Grants for Clean Water State Revolving Funds	66.458	W15A066 - 2014 Grant	11,123,638	-	804,916
Capitalization Grants for Clean Water State Revolving Funds	66.468	EFT,999A,2018000 0000000061841,1	1,741	-	1,741
Total U.S. Environmental Protection Agency					806,657
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 7,502,207

CITY OF LA JUNTA, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2017

NOTE -1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of La Junta, Colorado under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the City of La Junta, Colorado, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of La Junta, Colorado.

NOTE -2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE -3 INDIRECT COST RATES

The City of La Junta, Colorado has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE -4 SUB-RECIPIENTS

No payments were made to sub-recipients in the fiscal year ended December 31, 2017.

HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS
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Patrick A. Hancock CPA 719-688-0812
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of La Junta, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of La Junta, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of La Junta, Colorado's basic financial statements and have issued our report thereon dated May 11, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Hancock Froese & Company LLC

Rocky Ford, Colorado
May 11, 2018

HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS
601 SOUTH EIGHTH STREET
ROCKY FORD, COLORADO 81067

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Andrew H. Froese CPA 719-980-1962

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of La Junta, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of La Junta, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of La Junta, Colorado's major federal programs for the year ended December 31, 2017. City of La Junta, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of La Junta, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Hancock Froese & Company LLC

Hancock Froese & Company LLC

Rocky Ford, Colorado

May 11, 2018

CITY OF LA JUNTA, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

I. Summary of Audit Results

A. Financial Statements

- Type of auditors' report issued: Unmodified
- Internal control over financial reporting as reported in the INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:
 - Are any material weaknesses identified? ___ Yes X No
 - Are any significant deficiencies identified? ___ Yes X No
 - Is any noncompliance material to financial statements noted? ___ Yes X No

B. Federal Awards

- Internal control over major programs as reported in the INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE:
 - Are any material weaknesses identified? ___ Yes X No
 - Any significant deficiencies identified? ___ Yes X No
- Type of auditors' report issued on compliance for major program: Unmodified
- Are there any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? ___ Yes X No
- Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Grant Number</u>	<u>Expenditures</u>
20.933	National Infrastructure Investments	FR-TII-0040-17-01-00	\$ 6,097,545
66.458	Capitalization Grants for Clean Water State Revolving Funds	W15A066 – 2014 Grant	\$ 804,916

- Dollar threshold used to distinguish between type A and B programs: \$ 750,000
- Auditee qualified as low-risk auditee? ___ Yes X No

II. Financial Statement Findings

- A. Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

- A. Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

IV. Prior Year Findings

- A. There were no findings in the prior year that were required to be reported.

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT

City or County:

La Junta

YEAR ENDING :

Dec-17

This Information From The Records Of (example - City of _ or County of
City of La Junta, COPrepared By: Darren Adame
Phone: 719-384-5991**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	336,109
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	45,572
2. General fund appropriations	727,196	b. Snow and ice removal	11,379
3. Other local imposts (from page 2)	93,050	c. Other	206,314
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	263,265
5. Transfers from toll facilities		4. General administration & miscellaneous	67,312
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	405,079
a. Bonds - Original Issues		6. Total (1 through 5)	1,071,765
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	820,246	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	251,519	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,071,765	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,071,765

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,071,765	1,071,765	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE:
	Colorado
	YEAR ENDING (mm/yy):
	Dec-17

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		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. Other	93,050	g. Other Misc. Receipts	
6. Total (1. through 5.)	93,050	h. Other	
c. Total (a. + b.)	93,050	i. Total (a. through h.)	0
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	226,214	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	25,305	d. Federal Transit Admin	
d. Other (DOLA)	-	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	25,305	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	251,519	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: