

cPa DIXON, WALLER & CO., INC.

CITY OF LAS ANIMAS, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2017

E

RECEIVED

Office of the State Auditor

July 18, 2018

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

CITY OF LAS ANIMAS, COLORADO
FINANCIAL STATEMENTS
December 31, 2017

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis	i-xi
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position.....	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position ..	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Position – Proprietary Funds.....	9-10
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12
Notes to Basic Financial Statements.....	13-46

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISONS:

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Governmental Funds and Pension Trend Data

General Fund 47-50

Pension Trend Data:

Old Hire Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
Multiyear – Last 10 Years (to be built prospectively)..... 51

Old Hire Schedule of Contributions Multiyear – Last 10 Years (to be built prospectively)..... 52

Schedule of the City’s Proportionate Share of the Net Pension Liability of the Local
Government Division Trust Fund – A Cost- Sharing Multiple-Employer Defined Benefit
Pension Plan Administered by the Colorado Public Employees’ Retirement Association..... 53

Schedule of City Contributions to the Local Government Division Trust Fund –
A Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Administered
by the Colorado Public Employees’ Retirement Association..... 54

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:

Schedules of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual:

Infrastructure and Improvement Fund..... 55

1% Street Improvement Fund..... 56

Combining Balance Sheet – Nonmajor Governmental Funds 57

Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds 58

Schedules of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual:

Conservation Trust Fund..... 59

Parks and Recreation Fund..... 60

Sales Tax Development Fund..... 61

Safe Route to School Fund..... 62

Schedules of Revenues and Expenses and Changes in Net Position – Budget (Non-GAAP) and Actual:

Water Fund 63

Sewer Fund 64

Sanitation Fund..... 65

Power and Light Fund 66

OTHER SCHEDULES:

Local Highway Finance Report 67-71

CITY OF LAS ANIMAS, COLORADO
ROSTER OF OFFICIALS
December 31, 2017

Jim Collins	Mayor
Frank Schmeiser	Mayor Pro-Tem
Troy Abdulla	Trustee
Eloy Salazar	Trustee
Robert Smith	Trustee
Janice Cline	Trustee
David Armstrong	Trustee

FINANCIAL SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Las Animas
Las Animas, CO 81054

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Las Animas, 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. 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, each major fund, and the aggregate remaining fund information of City of Las Animas, 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 and analysis, budgetary comparison information, and pension trend data on pages i through xi and 47 through 50 and 51 through 54 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 City of Las Animas' basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules 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 and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Dwan, Walter A., Jr.

June 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Las Animas Colorado
Management's Discussion and Analysis

For the December 31, 2017 financial statements, the City has implemented a major reporting format in 2004 in compliance with the Governmental Accounting Standards Board Statement Number 34 (GASB 34). It was a significant change in governmental financial reporting. This change brought about several new financial statements and this narrative titled Management's Discussion and Analysis.

This discussion and analysis of the City of Las Animas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, and the City's financial statements beginning on page 3.

Statements included are:

- Statement of Net Position—a statement that combines the financial position as of December 31, 2017 for all funds on a government-wide basis.
- Statement of Activities—a statement that combines the changes in financial position for the year ended December 31, 2017 for all funds on a government-wide basis.
- Statements for Governmental funds—these present the governmental funds such as the general fund, parks and recreation fund, special revenue funds, capital project fund and other funds.
- Statements for Business-type funds—these present proprietary funds, such as the City's Electric, Water, Sewer and Sanitation utility funds.

FINANCIAL HIGHLIGHTS

- The City of Las Animas General Fund is experiencing a decreasing fund balance.
- The assets of the City of Las Animas exceed its liabilities at the close of 2017 by \$12,949,174 (net position). Of this amount, \$1,651,446 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$156,867, a 2% increase over the prior year net position. Sales Tax revenue was more than the budgeted amount by \$2,796.
- At the end of 2017, the City's governmental funds reported combined ending fund balances of \$666,420 an increase of \$8,153 in comparison with the end of 2016.
- At the end of 2017, the unreserved and undesignated fund balance for the general fund was \$410,648 which is 41% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Las Animas's basic financial statements. The City of Las Animas's basic financial statements comprise of: Combined Statements-Overview, Financial Statements of Individual funds & Schedules. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements-Governmental Wide Financial Statements

These financial statements present information on all the City of Las Animas's assets and liabilities and Fund Equity. This report may serve as a useful indicator of whether the financial position of the City of Las Animas is improving or deteriorating.

Combined And Individual Fund Statements and Other Schedules

These statements present information showing how the accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into three broad categories as follows:

Governmental Funds

The General Fund is the general operating fund of the City. The General Fund is principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City of Las Animas include general government, public safety, streets, recreation, special revenue funds and capital projects funds. These statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year.

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes:

Conservation Trust Fund-to account for the operations of a conservations trust fund financed by the state. Contributions are to be for the improvement of park and recreation facilities.

1% Street Capital Improvement- to account for the collection and use of sales tax monies specifically for street and highway improvement.

Sales Tax Development Fund-to account for donations to area entities to promote community services. This fund is financed with sales tax receipts.

Capital Projects Funds are used to account for specific revenues that are legally restricted to expenditures for capital purposes.

Infrastructure and Improvement Fund-to account for the expenditures for the construction and improvement of infrastructure assets. This fund is financed with sales tax receipts.

The City of Las Animas adopts an annual appropriated budget for all of its funds a budgetary comparison compliance statement is provided for each of the major and non-major funds.

Proprietary Funds

The City of Las Animas maintains four different types of proprietary funds. Enterprise funds are operations that are financed and operated in a manner similar to private business-type activities as presented in the Statement of Revenue, Expenditures and Changes in Net Position. The City of Las Animas uses the enterprise funds to account for the Electric, Water, Sewer and Sanitation utility functions. The enterprise funds provide goods of services to the general public on a continuing basis to be financed or recovered through user charges.

The basic proprietary fund financial statements can be found on pages 9-12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the Statement of Revenue, Expenses and changes in Net Position/Fund Balances; Combined Statement of Cash Flows all Proprietary Funds.

The notes to the financial statements can be found on pages 13-46 of this report.

As noted earlier, net assets may serve as a useful indicator of the City's financial position. In the case of the City of Las Animas, assets exceed liabilities by \$12,949,174 at the close of 2017.

By far the largest portion of the City of Las Animas's net position reflects its investment in fixed assets (e.g., land, building, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Las Animas uses these fixed assets to provide services to citizens.

Current assets and current liabilities are generally included on their statement of net position. The statement of activities shows revenues and other financing sources and expenditures and other financing uses in net position. The Statement of Activities will provide a summary of sources and uses of available spendable resources during a period. Resources needed to repay debt must be shown as non-operating expenses.

City of Las Animas Condensed Statement of Net Position December 31, 2017

	Governmental		Enterprises		Total	
	2017	2016	2017	2016	2017	2016
Current assets	1,097,155	1,099,251	4,520,455	4,091,199	5,617,610	5,190,450
Prop, Plant, Equip	1,775,668	1,800,746	11,094,793	10,845,028	12,870,461	12,645,774
Fixed assets (Net)						
Total Assets	2,872,823	2,899,997	15,615,248	14,936,227	18,488,071	17,836,224
Deferred Outflows	126,527	138,527	381,710	431,978	508,237	570,505
Long-term debt	30,614	58,713	528,742	397,854	559,356	456,567
Other Liabilities	905,611	803,341	4,228,246	3,994,030	5,133,857	4,797,371
Total Liabilities	936,225	862,054	4,756,988	4,391,884	5,693,213	5,253,938
Deferred Inflows	348,459	331,519	5,462	28,965	353,921	360,484
Net Position:						
Inv in cap assets,	1,775,668	1,796,690	9,124,521	8,704,689	10,900,189	10,501,379
Net of Related Debt						
Restricted for:						
Debt Retire	-	-	64,960	62,239	64,960	62,239
Asset Retire	-	-	46,368	46,368	46,368	46,368
Capital Imp	185,458	178,665	-	-	185,458	178,665
Park & Recreation	15,790	15,703	-	-	15,790	15,703
Economic Develop	43,913	42,889	-	-	43,913	42,889
Tabor Reserve	41,050	38,900	-	-	41,050	38,900
Unrestricted	(347,213)	(227,896)	1,998,659	2,134,060	1,651,446	1,906,164
Total Net Position	1,714,666	1,844,951	11,234,508	10,947,356	12,949,174	12,792,307

From the above summary, the reader should be aware of the following: unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt obligations, legislation or other legal requirements. It is comprised of fund balances, reserves and other monies. Net Position and net expenses of governmental activities combined is helpful as well as looking at them separately. The Management and financing of these activities is very different:

Governmental activities are the legislative, executive, administration, police, street, and parks.

Enterprise activities such as the electric, water, sewer and sanitation departments are treated as independent businesses the City operates.

Changes in net position

The City's total revenues of \$7,859,553 were over the program expenses of \$7,702,686 for an increase in net position of \$156,867.

This is the seventh year to report all activities on the accrual basis of accounting; a detailed comparison to the prior year is possible.

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Charges for Services	116,997	137,288	5,774,229	5,909,447	5,891,226	6,046,735
Operating Grants and Cont	104,331	117,812	-	-	104,331	117,812
Capital Grants and Cont.	-	10,619	709,551	14,400	709,551	25,019
General Revenues:						
Property Taxes	322,604	281,496	-	-	322,604	281,496
Other Taxes	751,311	739,179	-	-	751,311	739,179
Intergovern Not Rest.	40,280	14,370	-	-	40,280	14,370
Other Revenue	40,251	34,959	40,016	27,550	80,267	62,509
Insurance Proceeds	-	67,809	-	-	-	67,809
-Investment Earnings	2,439	3,205	13,982	13,927	16,421	17,132
Total Revenues	1,378,213	1,406,737	6,537,778	5,965,324	7,915,991	7,372,061
Expenses:						
General Government	342,014	477,879	-	-	342,014	477,879
Public Safety	384,282	354,587	-	-	384,282	354,587
Public Works	316,108	397,775	-	-	316,108	397,775
Culture & Recreation	147,685	135,845	-	-	147,685	135,845
Community Services	75,372	68,308	-	-	75,372	68,308
Pension Amort Exp	109,502	34,939	-	-	109,502	34,939
Utilities	-	-	6,327,723	6,060,152	6,327,723	6,060,152
Total Expense	1,374,963	1,469,333	6,327,723	6,060,152	7,702,686	7,529,485
Increase (Decrease) in Net Position						
Before Transfers	-	(62,596)	(56,438)	(94,828)	(56,438)	(157,424)
Transfers	(133,535)	(156,945)	133,535	156,945	-0-	-0-
Change in Net Position	(130,285)	(219,541)	287,152	62,117	156,867	(157,424)
Net Position-Jan 1	1,844,951	2,064,492	10,947,356	10,885,239	12,792,307	12,949,731
Net Position-Dec 31	1,714,666	1,844,951	11,234,508	10,947,356	12,949,174	12,792,307

General Fund Budgetary Highlights-Overall revenue in the General Fund was \$59,999 under the original budget. Sales and other use tax is the main revenue source for the General Fund. While some revenue sources were higher than budgeted, others were under budget such as:

- There was an increase of \$2,796 to the sales tax collected due an improved economy in Las Animas.
- The Light & Power franchise was \$3,610 less due to decreased use of electricity by consumers.
- The Cable TV Franchise and was down \$827 due to slow payment by Horizon Broadband and the Kinder Morgan Gas Franchise was also down \$5,408 due to a mild winter.
- The Police Department has ceased operation as of March 2013. The Sheriff's office is now in charge of public safety. The City of Las Animas pays a monthly fee to the Sheriff's office for this service.
- Court and traffic fines were down \$10,472 due to the less tickets being issued.
- No equipment was sold in 2017.
- Interest collection was down \$2,027 due to lower fund balances.
- License & Permits increased due to more home improvement projects by \$1,460.
- Severance tax collected from the state was increased by \$17,277

The General Fund balance is \$410,648. This figure includes emergency and contingency reserve. The department heads are diligent to review their budgets and do not purchase any items that are not needed.

The unreserved fund balance is available for spending at the City's discretion on streets, parks, recreation and other projects in the General Fund.

- Reduced spending by all departments such as Legislative, Council, Judicial, Executive, Administration, Police, Public Works, Sanitation, and Recreation.

The City's Enterprise Funds, (Electric, Water, Sewer and Sanitation) charge monthly users fees and this accounts for the bulk of the revenues. The expense budget for the Sewer Fund was \$4,831,206 and the actual spent was \$1,130,373. The expense budget for the electric was \$4,468,952 and the actual spent was \$4,231,453. The expense budget for the Water Fund was \$5,051,603 and the actual spent was \$865,920. The expense budget for the Sanitation Fund was \$1,158,314 and the actual spent was \$765,656.

Electric, Water, Sewer and Sanitation Analysis

- Charges for Services includes the revenue from the sale of electricity and the energy cost adjustment. Interest declined due to the low interest rates on the certificates of deposits.
- Sewer systems operations include fuel, chemicals, plant supplies, tools and lift station
- Sewer system maintenance includes cleaning of sewer pipe, lagoon maintenance cost and vehicle repairs.

CAPITAL ASSETS

	Governmental		Business-Type		Total	
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>2017</u>	<u>2016</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land (Not Depreciated)	239,598	239,598	173,821	170,821	413,419	410,419
<u>Capital Assets (Depreciated)</u>						
Buildings & Systems	1,101,963	1,101,963	19,900,436	19,822,562	21,002,399	20,924,525
Vehicles	192,943	192,943	-	-	192,943	192,943
Equipment	632,116	632,116	3,808,413	3,811,865	4,440,529	4,443,981
Infrastructure	1,809,065	1,663,964	-	-	1,809,065	1,663,964
Construction in progress	-	-	631,654	-	631,654	-
<u>Total Capital Assets</u>	<u>3,736,087</u>	<u>3,590,986</u>	<u>24,340,503</u>	<u>23,634,427</u>	<u>28,076,590</u>	<u>27,225,413</u>
<u>Depreciated</u>						
<u>Less Accumulated Depreciation for:</u>						
Buildings & Systems	650,064	581,697	-	-	650,064	581,697
Utility System	-	-	13,419,530	12,960,220	13,419,530	12,960,220
Vehicles	192,942	190,843	-	-	192,942	190,843
Equipment	622,042	612,781	-	-	622,042	612,781
Infrastructure	734,969	644,517	-	-	734,969	644,517
<u>Total Accumulated</u>						
<u>Depreciation</u>	<u>2,200,017</u>	<u>2,029,838</u>	<u>13,419,530</u>	<u>12,960,220</u>	<u>15,619,547</u>	<u>14,990,058</u>

As of the end of 2017, the City of Las Animas Governmental Activities and Business-Type Activities has invested \$14,255,005 in a broad range of capital assets.

Beginning in 2017, general infrastructure assets are depreciated. Total depreciation expense for the Governmental Activities is \$170,179 and the total depreciation for the Business Type Activities is \$610,655. The City of Las Animas depreciates capital assets, except land and water rights, using the straight-line depreciation method and a predetermined useful life of the asset. Infrastructure includes only roads added to inventory during 2017.

LONG-TERM DEBT

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
<u>Long-Term Debt</u>						
<u>Governmental Activities:</u>						
Lease Purchase Agreement	-	4,056	-	-	-	4,056
Land Reclamation Costs	16,000	16,000	-	-	16,000	16,000
Compensated Absences	17,571	15,160	-	-	17,571	15,160
<u>Business-Type Activities:</u>						
Bonds Payable	-	-	781,100	807,300	781,100	807,300
Notes Payable	-	-	1,189,171	1,333,039	1,189,171	1,333,039
Compensated Absences	-	-	133,968	121,862	133,968	121,862
Landfill Post closure	-	-	150,895	120,666	150,895	120,666
Total	33,571	35,216	2,255,134	2,382,867	2,288,705	2,418,083

Sewer Fund

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated November 12, 1998 maturing serially on May 1, 1999 through November 1, 2018 and bearing interest at a rate of 4.50%.

Total remaining principal is \$79,232

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated November 4, 2011, maturing serially on November 1, 2012 through May 1, 2032 and Bearing Interest at a rate of 0%.

Total remaining principal is \$228,812.

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated March 26, 2009, maturing serially on May 1, 2009 through November 1, 2028 and Bearing Interest at a rate of 0%.

Total remaining principal is \$207,350.

Colorado Water Resources Power Development requires that the Sewer Loan Agreements require that the City maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. The City has an amount in excess of \$302,147 toward the required reserve for the sewer fund and an amount in excess of \$39,854 for the rate covenant.

Water Fund

Water Revenue Bonds, Dated October 10, 1996, mature serially on June 1 and December 1, 1998, through December 1, 2036, and bear interest at 4.50%.

Total remaining principal is \$448,800.

Water Revenue Bonds, dated December 17, 1996, mature serially on June 1 and December 1, 1998, through December 1, 2036, and bear interest at 4.50%.

USDA-Rural Development requires that the R. O. plant loan agreements require that the City maintain an operations and maintenance reserve in the amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year.

Total remaining principal is \$332,300.

The required reserve for the USDA-Rural Development water loan is \$62,246.

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated March 26, 2008, maturing serially on May 1, 2009 through November 1, 2038 and Bearing Interest at a rate of 0%.

Total remaining principal is \$568,400.

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated December 19, 2013, maturing serially on November 1, 2014 through May 1, 2034 and Bearing Interest at a rate of 0%.

Total remaining principal is \$105,377.

Sanitation Fund

The estimate of cost for final closure and post closure care of the Landfill is \$150,895. The City expects to close the landfill in the year 2034.

During 2012, The City entered into a lease purchase agreement to acquire a Sanitation Truck and Sanitation Equipment with the First National Bank of Las Animas. The annual interest rate is 3.75%. The balance due for the Sanitation Truck is \$-0- and the balance due for the Sanitation Equipment is \$-0- as it was paid in full in December 2016.

Defined Benefit Pension Plan-Policemen

Full time City policeman are eligible to participate in the City of Las Animas Police Pension Fund. As a police department affiliated with the Fire and Police Pension Association and having “old hire” or Local plan ‘new hire’ employees our department is provided an actuarial study every two years at no additional cost to the City. There are three members in the “old hire” police pension plan: Widow Betty Roberts (Norman Roberts), Widow Joyce Butler (Jerry Butler), and Donald DeLong, Retiree.

The total ending balance, Dec. 31, 2017, of the “old hire” pension plan was \$288,291.00.

Supplemental Death and Disability Plan: The town participates in the Supplemental Death and Disability Plan, the total contribution rate required for 2016 is 2.4% of base salary. The employee is responsible for the 2.4% rate.

The City of Las Animas Police department ceased operations in March of 2012. There were no new hires paid in 2017. Currently there are no full time police officers as the City of Las Animas contracts with the Bent County Sheriff’s Office for public safety.

Defined Benefit Plan-PERA

The City of Las Animas became a member of the Public Employee’s Retirement Association of Colorado effective January 1, 2003.

The City of Las Animas provides benefits for all non fire or police employees through a defined benefit plan (PERA). One year of service is required to be 100% vested. The City of Las Animas contributes 13.7% of covered salary and the employee contributes 8% of covered salary.

The City of Las Animas also offers a 401K plan with PERA for those employees that wish to participate.

Intergovernmental Agreement

The City of Las Animas is a member of the Colorado Intergovernmental Risk Sharing Agency, a self-insurance pool to provide defined coverages and claims and risk management services. The City has a deductible of \$1,000.00 for each liability, auto liability, property and auto physical damage per occurrence basis.

The City is a member of Pinnacle Assurance for Worker’s Compensation. Coverage and limits for workers’ compensation is to statutory limits and employer’s liability is to \$2,000,000 each accident.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Assessed valuation used for the 2017 budget preparation is \$8,292,153. There is a general agreement among practitioners that the most restrictive of the two revenue limits ("5.5% or TABOR must be respected, disallowing the levying of the greater amount of revenue which would be allowed under the other limit). The City's mill levy will remain at 39 mills for the 2017 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need additional financial information, please contact the City's Budget Officer, Charmaine D. Tripp at 532 Carson Ave, Las Animas, Colorado 81054, or by calling (719) 456-0422.

BASIC FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	Governmental Activities	Business Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	604,288	3,445,093	4,049,381
Receivables (Net, where Applicable, of Allowance for Uncollectibles):			
Accounts & Assessments	155,592	472,735	628,327
Accrued Revenue	-	244,451	244,451
Property Tax	346,747	-	346,747
Accrued Interest	222	-	222
Other	-	4,930	4,930
Due From Other Funds	(9,694)	9,694	-
Inventories	-	330,422	330,422
Prepaid Expense	-	13,130	13,130
Fixed Assets (Net)	<u>1,775,668</u>	<u>11,094,793</u>	<u>12,870,461</u>
<u>Total Assets</u>	<u>2,872,823</u>	<u>15,615,248</u>	<u>18,488,071</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Contributions Subsequent to Pension Measurement Date	34,011	112,444	146,455
Deferred Pension Cost Plan	<u>92,516</u>	<u>269,266</u>	<u>361,782</u>
<u>Total Deferred Outflow of Resources</u>	<u>126,527</u>	<u>381,710</u>	<u>508,237</u>
<u>LIABILITIES</u>			
Accounts Payable	30,614	528,742	559,356
Due to Other Funds	-	-	-
Customer Deposits Payable	-	52,496	52,496
Accrued Interest Payable	-	4,547	4,547
Noncurrent Liabilities:			
Due Within One Year	-	174,716	174,716
Due in More Than One Year	16,000	1,795,556	1,811,556
Compensated Absences Payable	17,571	133,968	151,539
Net Pension Liability	872,040	1,916,068	2,788,108
Landfill Closure and Post-Closure Cost	-	<u>150,895</u>	<u>150,895</u>
<u>Total Liabilities</u>	<u>936,225</u>	<u>4,756,988</u>	<u>5,693,213</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Tax	346,747	-	346,747
Deferred Pension Plan	<u>1,712</u>	<u>5,462</u>	<u>7,174</u>
<u>Total Deferred Outflow of Resources</u>	<u>348,459</u>	<u>5,462</u>	<u>353,921</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	1,775,668	9,124,521	10,900,189
Restricted for:			
Debt Retirement	-	64,960	64,960
Asset Retirement	-	46,368	46,368
Capital Improvements	185,458	-	185,458
Parks and Recreation	15,790	-	15,790
Economic Development	43,913	-	43,913
Tabor Reserve	41,050	-	41,050
Unrestricted	<u>(347,213)</u>	<u>1,998,659</u>	<u>1,651,446</u>
<u>TOTAL NET POSITION</u>	<u>1,714,666</u>	<u>11,234,508</u>	<u>12,949,174</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Business Type Activities	Governmental Activities	Total	
FUNCTIONS/PROGRAMS							
Governmental Activities							
General Government	342,014	-	-	-	(240,754)	(240,754)	
Public Safety	384,282	-	-	-	(379,754)	(379,754)	
Public Works	316,108	82,430	-	-	(233,678)	(233,678)	
Culture & Recreation	147,685	21,901	-	-	(114,575)	(114,575)	
Community Services	75,372	-	-	-	(75,372)	(75,372)	
Pension Expense	109,502	-	-	-	(109,502)	(109,502)	
Total Governmental Activities	1,374,963	104,331	-	-	(1,153,635)	(1,153,635)	
BUSINESS TYPE ACTIVITIES							
Water	935,948	-	13,200	-	(163,688)	(163,688)	
Sewer	561,374	-	631,653	-	554,280	554,280	
Sanitation	598,948	-	64,698	-	10,083	10,083	
Power and Light	4,231,453	-	-	-	(244,618)	(244,618)	
Total Business Type Activities	5,774,229	-	709,551	-	156,057	156,057	
Total Primary Government	5,891,226	104,331	709,551	-	(1,153,635)	(997,578)	
General Revenues:							
Local Property Taxes					322,604	322,604	
Specific Ownership Taxes					35,124	35,124	
Sales and Use Taxes					577,430	577,430	
Franchise Taxes					138,757	138,757	
Intergovernmental Not Specifically Restricted					40,280	40,280	
Interest Revenues					2,439	2,439	
Loss on Disposal of Fixed Assets					-	13,982	
Other Revenues					-	(56,438)	
Transfers In (Out)					40,251	40,251	
Total General Revenues and Transfers					(133,535)	133,535	
Changes in Net Position					1,023,350	131,095	
Net Position - Beginning					(130,285)	287,152	
Net Position - Ending					1,844,951	10,947,356	
Net Position - Ending					1,714,666	11,234,508	

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

CITY OF LAS ANIMAS, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	<u>Capital Projects Funds</u>				Total Governmental Funds
	General Fund	1% Street Improvement Fund	Infrastructure and Improvement Fund	Other Governmental Funds	
ASSETS:					
Cash and Cash Equivalents	384,671	75,539	80,497	63,581	604,288
Receivables (Net, of Allowance where Applicable)					
Accounts, Grants, Notes	45,499	24,991	24,992	6,736	102,218
Property Tax	346,747	-	-	-	346,747
Accrued Interest	222	-	-	-	222
Due From Other Funds	-	-	-	-	-
Other Assets	-	-	-	-	-
<u>Total Assets</u>	<u>777,139</u>	<u>100,530</u>	<u>105,489</u>	<u>70,317</u>	<u>1,053,475</u>
LIABILITIES:					
Accounts Payable	19,267	11,347	-	-	30,614
Due To Other Funds	477	-	9,217	-	9,694
Other Payables	-	-	-	-	-
<u>Total Liabilities</u>	<u>19,744</u>	<u>11,347</u>	<u>9,217</u>	<u>-</u>	<u>40,308</u>
DEFERRED INFLOW OF RESOURCES					
Property Tax	346,747	-	-	-	346,747
FUND BALANCES:					
Restricted for:					
Emergencies	41,050	-	-	-	41,050
Parks and Recreation	-	-	-	15,790	15,790
Capital Improvement	-	89,183	96,272	3	185,458
Economic Development	-	-	-	43,913	43,913
Committed for:					
Parks and Recreation	-	-	-	-	-
Assigned for:					
Revolving Loan	155,144	-	-	-	155,144
Parks and Recreation	-	-	-	10,611	10,611
Unassigned:	214,454	-	-	-	214,454
<u>Total Fund Balances</u>	<u>410,648</u>	<u>89,183</u>	<u>96,272</u>	<u>70,317</u>	<u>666,420</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>	<u>777,139</u>	<u>100,530</u>	<u>105,489</u>	<u>70,317</u>	<u>1,053,475</u>

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

CITY OF LAS ANIMAS, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2017

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

<u>Total Fund Balance – Governmental Funds</u>		666,420
Revolving Loan Receivables which do not provide current financial resources are not reported on the governmental fund financial statements but recognized on the government-wide financial statements, net of applicable allowance for uncollectibles.		53,374
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$3,975,685 and the accumulated depreciation is \$2,200,017.		1,775,668
Long-term liabilities, including leases, compensated absences and net interest payable are not due and payable in the current period and therefore are not reported in the funds.		
Reclamation Payable	(16,000)	
Lease Payable	-	
Compensated Absences	(17,571)	(33,571)
Net pension liability, deferred outflows, and deferred inflows related to pensions are not current financial resources and therefore are not reported as assets or liabilities in the governmental funds.		(747,225)
<u>Total Net Position – Governmental Activities</u>		<u>1,714,666</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>Capital Projects Funds</u>				Total Governmental Funds
	General Fund	1% Street Improvement Fund	Infrastructure and Improvement Fund	Other Governmental Funds	
REVENUES:					
Taxes	518,249	164,759	164,759	83,153	930,920
Licenses and Permits	8,460	-	-	-	8,460
Intergovernmental Revenue	128,306	-	-	21,901	150,207
Franchise Fees	138,757	-	-	-	138,757
Charges for Services	116,635	-	-	-	116,635
Interest Revenue	1,973	195	155	116	2,439
Fines and Forfeits	4,528	-	-	-	4,528
Miscellaneous Revenues	<u>1,302</u>	<u>4,657</u>	<u>-</u>	<u>25,811</u>	<u>31,770</u>
<u>Total Revenues</u>	<u>918,210</u>	<u>169,611</u>	<u>164,914</u>	<u>130,981</u>	<u>1,383,716</u>
EXPENDITURES:					
General Government	337,763	-	-	-	337,763
Public Safety	384,082	-	-	-	384,082
Public Works	179,583	181,350	-	-	360,933
Culture and Recreation	-	-	-	83,878	83,878
Community Services	-	-	-	69,935	69,935
Debt Service	-	-	-	-	-
Revolving Loan	<u>5,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,437</u>
<u>Total Expenditures</u>	<u>906,865</u>	<u>181,350</u>	<u>-</u>	<u>153,813</u>	<u>1,242,028</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,345</u>	<u>(11,739)</u>	<u>164,914</u>	<u>(22,832)</u>	<u>141,688</u>
OTHER FINANCING SOURCES (USES):					
Lease Purchase Proceeds	-	-	-	-	-
Operating Transfers In (Out)	<u>(18,703)</u>	<u>-</u>	<u>(146,382)</u>	<u>31,550</u>	<u>(133,535)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(18,703)</u>	<u>-</u>	<u>(146,382)</u>	<u>31,550</u>	<u>(133,535)</u>
NET CHANGES IN FUND BALANCES	(7,358)	(11,739)	18,532	8,718	8,153
FUND BALANCES – Beginning	<u>418,006</u>	<u>100,922</u>	<u>77,740</u>	<u>61,599</u>	<u>658,267</u>
FUND BALANCES – Ending	<u>410,648</u>	<u>89,183</u>	<u>96,272</u>	<u>70,317</u>	<u>666,420</u>

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

CITY OF LAS ANIMAS, COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2017

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>		8,153
Revolving loan revenues that do not provide current financial resources are not reported on the governmental fund financial statements but recognized on the government-wide financial statements.		(5,503)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay and depreciation in the current period.		
Capital outlays more than \$2,000	145,101	
Depreciation expense	(170,179)	(25,078)
The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of issuance cost and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:		
Lease principal payments	4,056	4,056
Compensated absences are reported as an expense in the statement of activities. However, governmental funds do not report compensated absences as an expenditure until they are paid.		(2,411)
Payment for pension benefits are recorded as an expenditure in the governmental funds but are recorded as expenses on an accrual basis in the entity-wide statements based on the changes in the net pension asset/liability.		(109,502)
<u>Change in Net Position of Governmental Activities</u>		<u>(130,285)</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business Type Activities – Enterprise Funds				Total
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	
<u>ASSETS</u>					
<u>Current Assets</u>					
Cash and Cash Equivalents	2,299,687	556,443	385,131	203,832	3,445,093
Receivables:					
Accounts (Net of Allowance for Uncollectibles)	315,520	62,495	48,631	46,089	472,735
Accrued Revenue	-	-	244,451	-	244,451
Notes	-	4,690	240	-	4,930
Interest	-	-	-	-	-
Inventories	214,029	77,365	39,028	-	330,422
Prepaid Expense	13,130	-	-	-	13,130
Due From Other Funds	-	9,694	-	-	9,694
<u>Total Current Assets</u>	<u>2,842,366</u>	<u>710,687</u>	<u>717,481</u>	<u>249,921</u>	<u>4,520,455</u>
<u>Property, Plant and Equipment</u>					
Construction in Progress	-	-	631,654	-	631,654
Land and Water Rights	17,055	130,911	2,150	23,705	173,821
Buildings & Improvements	389,046	3,317,757	8,292	-	3,715,095
Utility System	2,881,122	6,639,482	6,421,030	243,706	16,185,340
Equipment	<u>2,506,157</u>	<u>237,141</u>	<u>82,355</u>	<u>982,760</u>	<u>3,808,413</u>
	5,793,380	10,325,291	7,145,481	1,250,171	24,514,323
Less Accumulated Depreciation	<u>(4,541,477)</u>	<u>(5,128,231)</u>	<u>(3,073,429)</u>	<u>(676,393)</u>	<u>(13,419,530)</u>
<u>Net Property, Plant & Equipment</u>	<u>1,251,903</u>	<u>5,197,060</u>	<u>4,072,052</u>	<u>573,778</u>	<u>11,094,793</u>
<u>TOTAL ASSETS</u>	<u>4,094,269</u>	<u>5,907,747</u>	<u>4,789,533</u>	<u>823,699</u>	<u>15,615,248</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>					
Contributions Subsequent to Pension Measurement Date	62,970	26,930	15,392	7,152	112,444
Deferred Pension Cost Plan	<u>151,165</u>	<u>62,344</u>	<u>32,532</u>	<u>23,225</u>	<u>269,266</u>
<u>Total Deferred Outflow of Resources</u>	<u>214,135</u>	<u>89,274</u>	<u>47,924</u>	<u>30,377</u>	<u>381,710</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business Type Activities – Enterprise Funds				Totals
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	
LIABILITIES					
Current Liabilities					
Accounts Payable	241,710	21,856	251,775	13,401	528,742
Accrued Interest Payable	571	3,269	707	-	4,547
Due To Other Funds	-	-	-	-	-
Debt Payable - Current	-	54,467	120,249	-	174,716
<u>Total Current Liabilities</u>	<u>242,281</u>	<u>79,592</u>	<u>372,731</u>	<u>13,401</u>	<u>708,005</u>
Noncurrent Liabilities					
Accrued Vacation Payable	64,989	35,879	19,448	13,652	133,968
Meter Deposits Payable	24,310	19,062	5,576	3,548	52,496
Debt Payable – Noncurrent	-	1,295,033	500,523	-	1,795,556
Net Pension Liability	1,077,175	455,471	246,720	136,702	1,916,068
Landfill Postclosure Payable	-	-	-	150,895	150,895
<u>Total Long-Term Liabilities</u>	<u>1,166,474</u>	<u>1,805,445</u>	<u>772,267</u>	<u>304,797</u>	<u>4,048,983</u>
TOTAL LIABILITIES	<u>1,408,755</u>	<u>1,885,037</u>	<u>1,144,998</u>	<u>318,198</u>	<u>4,756,988</u>
DEFERRED INFLOW OF RESOURCES					
Deferred Pension Plan	2,932	1,171	840	519	5,462
<u>Total Deferred Inflow of Resources</u>	<u>2,932</u>	<u>1,171</u>	<u>840</u>	<u>519</u>	<u>5,462</u>
NET POSITION					
Net Investment in Capital Assets Restricted for Debt Services	1,251,903	3,847,560	3,451,280	573,778	9,124,521
Restricted for Asset Retirement	-	64,960	-	-	64,960
Unrestricted	46,368	-	-	-	46,368
	<u>1,598,446</u>	<u>198,293</u>	<u>240,339</u>	<u>(38,419)</u>	<u>1,998,659</u>
TOTAL NET POSITION	<u>2,896,717</u>	<u>4,110,813</u>	<u>3,691,619</u>	<u>535,359</u>	<u>11,234,508</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business Type Activities – Enterprise Funds				Totals
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	
<u>Operating Revenues</u>					
Charges for Services	3,955,097	720,426	476,815	525,777	5,678,115
Other	31,738	38,634	7,186	18,556	96,114
<u>Total Operating Revenues</u>	<u>3,986,835</u>	<u>759,060</u>	<u>484,001</u>	<u>544,333</u>	<u>5,774,229</u>
<u>Operating Expenses</u>					
Personal Services	710,915	294,155	138,390	113,368	1,256,828
Purchased Services	2,903,497	42,915	56,480	257,364	3,260,256
Supplies and Materials	158,239	89,096	6,557	-	253,892
Power & Utilities	-	119,560	79,903	-	199,463
Maintenance and Repair	49,661	14,068	38,337	53,125	155,191
Depreciation	112,970	237,030	182,832	77,823	610,655
Bad Debts	26,878	3,920	3,515	2,248	36,561
Landfill Post Closure Costs	-	-	-	36,640	36,640
Pension Expense	220,704	90,691	41,010	35,414	387,819
Other	48,589	8,386	8,757	22,949	88,681
<u>Total Operating Expenses</u>	<u>4,231,453</u>	<u>899,821</u>	<u>555,781</u>	<u>598,931</u>	<u>6,285,986</u>
<u>Operating Income (Loss)</u>	<u>(244,618)</u>	<u>(140,761)</u>	<u>(71,780)</u>	<u>(54,598)</u>	<u>(511,757)</u>
<u>Non-Operating Revenues (Expenses)</u>					
Capital Grant/Loan Forgiveness	-	13,200	631,653	64,698	709,551
Interest Revenue	10,053	2,433	988	508	13,982
Other Revenue	(139)	20,456	19,699	-	40,016
Loss on Disposal of Fixed Assets	-	-	-	(56,438)	(56,438)
Interest Expense	-	(36,127)	(5,593)	(17)	(41,737)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>9,914</u>	<u>(38)</u>	<u>646,747</u>	<u>8,751</u>	<u>665,374</u>
<u>Income (Loss) Before Operating Transfers</u>	<u>(234,704)</u>	<u>(140,799)</u>	<u>574,967</u>	<u>(45,847)</u>	<u>153,617</u>
<u>Operating Transfers In (Out)(Net)</u>	<u>-</u>	<u>80,517</u>	<u>23,018</u>	<u>30,000</u>	<u>133,535</u>
<u>Change in Net Position</u>	<u>(234,704)</u>	<u>(60,282)</u>	<u>597,985</u>	<u>(15,847)</u>	<u>287,152</u>
<u>Total Net Position, Beginning</u>	<u>3,131,421</u>	<u>4,171,095</u>	<u>3,093,634</u>	<u>551,206</u>	<u>10,947,356</u>
<u>Total Net Position, Ending</u>	<u>2,896,717</u>	<u>4,110,813</u>	<u>3,691,619</u>	<u>535,359</u>	<u>11,234,508</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business Type Activities – Enterprise Funds				
	Power & Light Fund	Water Fund	Sewer Fund	Sanitation Fund	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from Customers & Users	4,013,341	760,948	485,649	542,585	5,802,523
Payments to Employees & Benefit Providers	(706,745)	(287,439)	(139,555)	(110,983)	(1,244,722)
Payments to Vendors – Supplies and Services	<u>(3,243,150)</u>	<u>(359,928)</u>	<u>(235,412)</u>	<u>(340,580)</u>	<u>(4,179,070)</u>
Net Cash Provided (Used) By Operations Activities	<u>63,446</u>	<u>113,581</u>	<u>110,682</u>	<u>91,022</u>	<u>378,731</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Customer Deposits	298	992	144	129	1,563
Interfund	(3,072)	3,105	12,757	(3,050)	9,740
Transfers – Other Funds	-	80,517	23,018	30,000	133,535
Other Revenue	<u>(139)</u>	<u>20,456</u>	<u>19,699</u>	<u>-</u>	<u>40,016</u>
Net Cash Provided (Used) – Non Capital Financing	<u>(2,913)</u>	<u>105,070</u>	<u>55,618</u>	<u>27,079</u>	<u>184,854</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Non-Financed Purchase of Property & Equipment	-	(113,735)	(390,580)	(188,093)	(692,408)
Net Proceeds from Sale of Assets	-	-	-	20,000	20,000
Capital Grants/Loan Forgiveness	-	13,200	387,202	64,698	465,100
Interest Paid on Debt	-	(36,220)	(6,156)	(17)	(42,393)
Principal Paid on Debt	<u>-</u>	<u>(53,267)</u>	<u>(116,800)</u>	<u>-</u>	<u>(170,067)</u>
Net Cash Provided (Used) Capital & Related Financing	<u>-</u>	<u>(190,022)</u>	<u>(126,334)</u>	<u>(103,412)</u>	<u>(419,768)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investments (Purchased)	-	-	-	-	-
Investments (Matured)	-	-	-	-	-
Interest Received	<u>10,053</u>	<u>2,433</u>	<u>988</u>	<u>508</u>	<u>13,982</u>
Net Cash Provided (Used) - Investing Activities	<u>10,053</u>	<u>2,433</u>	<u>988</u>	<u>508</u>	<u>13,982</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>					
	70,586	31,062	40,954	15,197	157,799
CASH AND CASH EQUIVALENTS – Beginning	<u>2,229,101</u>	<u>525,381</u>	<u>344,177</u>	<u>188,635</u>	<u>3,287,294</u>
CASH AND CASH EQUIVALENTS – Ending	<u>2,299,687</u>	<u>556,443</u>	<u>385,131</u>	<u>203,832</u>	<u>3,445,093</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Operating Income (Loss)	(244,618)	(140,761)	(71,780)	(54,598)	(511,757)
Non Cash Items in Operations:					
Depreciation Expense	112,970	237,030	182,832	77,823	610,655
Pension Expense	220,704	90,691	41,010	35,414	387,819
(Increase) Decrease in Inventory	(37,444)	(40,859)	(21,116)	-	(99,419)
(Increase) Decrease Receivables/Accruals	53,410	1,888	1,648	(1,748)	55,198
Increase (Decrease) in Payables/Accruals	<u>(41,576)</u>	<u>(34,408)</u>	<u>(21,912)</u>	<u>34,131</u>	<u>(63,765)</u>
Net Cash Provided (Used) By Operations	<u>63,446</u>	<u>113,581</u>	<u>110,682</u>	<u>91,022</u>	<u>378,731</u>
<u>NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>					
Cash Paid for Income Tax	-	-	-	-	-
Cash Paid for Interest Expense	-	36,220	6,156	17	42,393
Property Acquired by Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total NonCash Investing Capital & Financing Activities	<u>-</u>	<u>36,220</u>	<u>6,156</u>	<u>17</u>	<u>42,393</u>

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Las Animas was incorporated under the provisions of the State of Colorado, Council Bill No. 98. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statement No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This City is not included in any other governmental "reporting entity" as defined in GASB No. 14 and includes the component unit "Las Animas Municipal Light & Power Company" as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the City (the primary government) and its component units.

- Related Organizations

The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City Council and Mayor appoint board members of the Las Animas Urban Renewal Authority and the Las Animas Housing Authority. In 2017 the City did not appropriate operating grants to the Urban Renewal Authority and the Housing Authority.

- Blended Component Unit

Blended component units. The Las Animas Municipal Light and Power Company is reported as an enterprise fund and is included as a blended component unit because the City has operational responsibility for it.

The Company was created as part of the Charter of the City of Las Animas, Colorado (the City) with a nonpolitical power board of five members who have complete charge and control of the Company and such other electric public utilities as may be acquired by the City. Four of the five members of the power board are elected members with the fifth member being the mayor of the City. The power board has the ability to fix the rates subject to approval by the City Council Resolution.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary 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* includes the City's *component units* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are 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. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of general government, except those required to be accounted for in another fund.
- Infrastructure and Improvement – Capital Projects Fund – It accounts for specific revenues that are legally restricted to expenditure for capital purposes.
- 1% Street Improvement – Special Revenue Fund. It accounts for proceeds of specific revenue sources that are legally restricted to expenditures for street improvement.

The City reports the following major proprietary funds:

The *sewer fund* accounts for the activities of the City's sewage disposal and treatment system.

The *water fund* accounts for the activities of City's water distribution and treatment system.

The *sanitation fund* accounts for the activities of the City's trash disposal services.

The *power and light fund* accounts for the activities of the City's electric generation and distribution system.

Additionally, the government reports the following fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

The *capital projects fund* is used to account for specific revenues that are legally restricted to expenditure for capital purposes.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 utility enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise 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.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	7-30
Streets and Improvements	20
Vehicles	7
Equipment	7-20

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

The City has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the City Clerk 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.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. The City Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Approved Revisions were made in 2017.
5. Budgets for the General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for Enterprise Funds are on a non GAAP basis.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded is not used by the City of Las Animas.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

H. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting). Accrued vacation and sick leave payable has been reflected in the financial statements of the Proprietary Funds and in the statement of net position for all governmental fund types.

I. Property Taxes

Property taxes represent ad valorem taxes levied by the City, which are payable to the County Treasurer, and are recognized as revenue by the City in the year for which they are levied.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes (Continued)

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

J. Contraband

There were no contraband proceeds for the year ended December 31, 2017.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

L. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

M. Due To / From Funds

Outstanding balances between funds created by lending/borrowing or cash allocation in common purchasing activities are reported as due to/from funds.

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as charges when incurred.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council (the City's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The City's Committed Fund Balance is fund balance reporting required by the City Council, either because of a City Council Policy in the City Council Policy Manual, or because of motions that passed at City Council meetings.

Assigned Fund Balance Policy:

The City's Assigned Fund Balance is fund balance reporting occurring by City Council Administration authority, under the direction of the City Clerk.

Order of Fund Balance Spending Policy

The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	General Fund	Safe Route to School Fund	Conservation Trust Fund	Parks and Recreation Fund	1% Street Improvement Fund	Sales Tax Development Fund	Infrastructure and Improvement Fund	Total Governmental Funds
<u>Nonspendable:</u>								
Prepaid Expenses	-	-	-	-	-	-	-	-
<u>Restricted:</u>								
Emergencies	41,050	-	-	-	-	-	-	41,050
Parks & Recreation	-	-	15,790	-	-	-	-	15,790
Capital Improvement	-	3	-	-	89,183	-	96,272	185,458
Econ. Development	-	-	-	-	-	43,913	-	43,913
<u>Assigned:</u>								
Revolving Loan	155,144	-	-	-	-	-	-	155,144
Parks & Recreation	-	-	-	10,611	-	-	-	10,611
<u>Unassigned</u>	<u>214,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,454</u>
<u>Total Fund Balances</u>	<u>410,648</u>	<u>3</u>	<u>15,790</u>	<u>10,611</u>	<u>89,183</u>	<u>43,913</u>	<u>96,272</u>	<u>666,420</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	<u>239,598</u>	<u>-</u>	<u>-</u>	<u>239,598</u>
Capital Assets Being Depreciated:				
Buildings & Improvements	1,101,963	-	-	1,101,963
Vehicles	192,943	-	-	192,943
Equipment	632,116	-	-	632,116
Infrastructure	<u>1,663,964</u>	<u>145,101</u>	<u>-</u>	<u>1,809,065</u>
Total Capital Assets Being Depreciated	<u>3,590,986</u>	<u>145,101</u>	<u>-</u>	<u>3,736,087</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	581,697	68,367	-	650,064
Vehicles	190,843	2,099	-	192,942
Equipment	612,781	9,261	-	622,042
Infrastructure	<u>644,517</u>	<u>90,452</u>	<u>-</u>	<u>734,969</u>
Total Accumulated Depreciation	<u>2,029,838</u>	<u>170,179</u>	<u>-</u>	<u>2,200,017</u>
Total Capital Assets Being Depreciated, Net	<u>1,561,148</u>	<u>(25,078)</u>	<u>-</u>	<u>1,536,070</u>
<u>Governmental Activities</u>				
Capital Assets, Net	<u>1,800,746</u>	<u>(25,078)</u>	<u>-</u>	<u>1,775,668</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 CHANGES IN LONG-TERM DEBT

Changes in Long-term Debt, Long-term Liability activity for the year ended December 31, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Lease Purchase	4,056	-	4,056	-	-
Land Reclamation Costs	16,000	-	-	16,000	-
Compensated Absences	15,160	2,411	-	17,571	-
	<u>35,216</u>	<u>2,411</u>	<u>4,056</u>	<u>33,571</u>	<u>-</u>
<u>Business – Type Activities</u>					
Lease Purchase	-	-	-	-	-
Bonds Payable	807,300	-	26,200	781,100	27,400
Notes Payable	1,333,039	-	143,868	1,189,171	147,316
Compensated Absences	121,862	12,106	-	133,968	-
Landfill Closure and Postclosure	120,666	30,229	-	150,895	-
	<u>2,382,867</u>	<u>42,335</u>	<u>170,068</u>	<u>2,255,134</u>	<u>174,716</u>

BONDS PAYABLE

Water Fund

Water Revenue Bonds, dated October 10, 1996, mature serially on June 1 and December 1, 1998, through December 1, 2036, and bear interest at 4.50%. Following is a bond schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	16,000	20,018	36,018
2019	16,700	19,291	35,991
2020	17,400	18,531	35,931
2021	18,200	17,739	35,939
2022	19,100	16,909	36,009
2023-2027	109,300	70,688	179,988
2028-2032	136,700	43,439	180,139
2033-2036	115,400	10,624	126,024
<u>Totals</u>	<u>448,800</u>	<u>217,239</u>	<u>666,039</u>

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Sewer Fund

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated November 12, 1998, maturing serially on May 1, 1999 through November 1, 2018 and bearing interest at a rate of 4.50%. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>79,232</u>	<u>2,684</u>	<u>81,916</u>
<u>Totals</u>	<u>79,232</u>	<u>2,684</u>	<u>81,916</u>

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated November 4, 2011, maturing serially on November 1, 2012 through May 1, 2032 and bearing interest at a rate of 0%. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	15,780	-	15,780
2019	15,780	-	15,780
2020	15,780	-	15,780
2021	15,780	-	15,780
2022	15,780	-	15,780
2023-2027	78,900	-	78,900
2028-2032	<u>71,012</u>	-	<u>71,012</u>
<u>Totals</u>	<u>228,812</u>	<u>-</u>	<u>228,812</u>

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated March 26, 2009, maturing serially on May 1, 2009 through November 1, 2028 and bearing interest at a rate of 0%. The following is a loan schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	18,850	-	18,850
2019	18,850	-	18,850
2020	18,850	-	18,850
2021	18,850	-	18,850
2022	18,850	-	18,850
2023-2027	94,250	-	94,250
2028	<u>18,850</u>	-	<u>18,850</u>
<u>Totals</u>	<u>207,350</u>	<u>-</u>	<u>207,350</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Enterprise Funds

Compensated absences accrued, payable and recorded in the Enterprise Funds are as follows:

Power & Light Fund	64,989
Sanitation Fund	13,652
Water Fund	35,879
Sewer Fund	<u>19,448</u>
<u>Total</u>	<u>133,968</u>

Land Reclamation Costs

The State of Colorado required the reclamation of a parcel of land used to provide sand for city purposes. The estimated cost for this reclamation is \$16,000.

Lease Purchases Payable – Sanitation Fund

During 2016, the City entered into a lease purchase agreement to acquire a lawn mower for the golf course. Notwithstanding the fact that the City may elect not to renew the agreement in any year, it is the present intent that the lease agreement will be paid until full rights to the equipment is acquired. The annual interest rate is 3.00% with an annual payment of \$4,056. The lease purchase agreement was paid off as of December 31, 2017.

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Landfill Closure and Postclosure Costs

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$150,895 reported in Long-Term Debt as landfill closure and postclosure care liability at December 31, 2017, represents the cumulative expense incurred to date based on the use of the existing facility and the requirements to close and monitor as the facility currently exists. This amount is based upon what it would cost to perform all postclosure care in 2017. Actual cost may be higher due to inflation, changes in technology or changes in regulations. Current consumption rates indicate that the new landfill will last 44 years.

The City will recognize the remaining estimated cost of closure and postclosure care of \$282,155 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. The City expects to close the landfill in the year 2061. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide assurance that it can meet the cost of closure and postclosure care. The City has provided assurance by meeting the test requirements of the Colorado Department of Public Health and Environment. The City expects that future inflation costs may need to be covered by charges to future landfill users or other future revenues.

NOTE 4 DEFINED BENEFIT PENSION PLAN

The City has two plans covering members of the Fire and Police Department. The plans are:

- City of Las Animas Old Hire Police Fund (Old Hire Police)
- Colorado Public Employees' Retirement Association (PERA)

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
City of Las Animas Old Hire Police	307,401	-	3,688	15,422	-
PERA	<u>2,480,707</u>	<u>-</u>	<u>493,633</u>	<u>492,815</u>	<u>7,174</u>
Totals	<u>2,788,108</u>	<u>-</u>	<u>497,321</u>	<u>508,237</u>	<u>7,174</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Public Employees Retirement Association:

Pensions. The City of Las Animas participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). 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 LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s), under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. 24-51-601, 604, 1713, and 1714.

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

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

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

Contributions. Eligible employees and the City of Las Animas are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

	For the Year Ended December 31, 2016
Employer Contribution Rate	10.00 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%

Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42). Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Las Animas is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Las Animas were \$146,455 for the year ended December 31, 2017.

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

At December 31, 2016, the City of Las Animas reported a liability of \$2,480,707 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The City of Las Animas proportion of the net pension liability was based on the City of Las Animas' contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2016, the City of Las Animas' proportion was .1837096872 percent, which was an increase of .0002 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City of Las Animas recognized pension expense of \$493,633. At December 31, 2017, the City of Las Animas reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	44,145	-
Changes of assumptions or other inputs	-	(7,174)
Net difference between projected and actual earnings on pension plan investments	297,922	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,293	-
Contributions subsequent to the measurement date	146,455	N/A
Total	492,815	(7,174)

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

\$146,455 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, 2017. 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	205,374
2019	129,420
2020	4,392
2021	-
2022	-
Thereafter	-

Actuarial Assumptions

The December 31, 2015 actuarial valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage Inflation	3.90 percent
Salary increases, including wage inflation	3.90 percent – 10.85 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and were effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial Cost Method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage Inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality table, adjusted as follows:

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

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions shown in Note 5. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

- Benefit payments and contributions were assumed to be made at the end of the month.

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

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the LGDTF's collective net pension liability calculated using the discount rate of 7.50 percent as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage-point higher (8.50 percent):

	<u>Sensitivity of the Net Pension Liability</u>		
Discount Rate	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Net pension liability	\$3,657,689	\$2,480,707	\$1,506,037

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the City of Las Animas that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2017, program members contributed \$6,293.

OLD HIRE POLICE PENSION:

Plan Description

The City, on behalf of certain full-time paid police officers, contributed to the Police Old Hire Pension Fund, a defined benefit, agent multiple-employer plan that is affiliated with the Fire and Police Pension Association of Colorado (FPPA). Assets of the plans are commingled for investment purposes in the Police Member's Benefit Investment Fund; a combination of agent, multiple-employer defined benefit pension plans administered by FPPA with participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

All City police officers hired prior to April 8, 1978, could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police officers' benefits become vested after twenty years of service and age 55 or after twenty-five years of service. Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month's salary at the time of retirement. Benefits vested after 1979 are limited to increases of 3% per year for inflation, as determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

Contributions. Plan members and the City are required to contribute at a rate set by statute. The State of Colorado also contributes to the plans in an amount set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30 of the CRS, as amended.

During 2017, there were no active policemen covered by the Police Old Hire Plan and 3 retirees receiving benefits. Currently, the City is not contributing to this fund.

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

At December 31, 2017, the City reported a liability of \$307,401 for its net pension liability related to the old hire police pension plan. The new pension liability was measured as of December 31, 2016, and the total liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The City's net pension liability was based on a projection of the City's long-term contributions to the pension plan, actuarially determined.

For the year ended December 31, 2017, the City recognized pension expense of \$3,688. 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 results	-	-
Net difference between projected and actual earnings on Plan investments	15,422	-
Changes in proportion and differences between City contributions and proportionate share of contributions City Contributions subsequent to the measurement date	-	-
Total	<u>\$15,422</u>	<u>\$ -</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

Deferred outflows of resources of \$-0- related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending December 31,	Net Deferred Outflows/ (Inflows) of Resources
2018	4,835
2019	4,835
2020	4,441
2021	1,311
2022	-
Thereafter	-
Total	<u>\$15,422</u>

NOTES TO SCHEDULE OF CONTRIBUTIONS

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, 2014, determines the contribution amounts for 2015 and 2017.

Methods and Assumptions Used to Determine contribution Rates for the Fiscal Year Ending December 31, 2016:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 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	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.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

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, 2017 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, 2017. 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, 2017. The primary changes as compared to the assumptions shown are as follows:

Inflation	2.5%	
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 Return on Plan Assets

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	36.00%	6.75%
Equity Long/Short	10.00%	4.85%
Illiquid Alternatives	23.00%	8.25%
Fixed Income	15.00%	.50%
Absolute Return	10.00%	4.05%
Managed Futures	4.00%	3.00%
Cash	<u>2.00%</u>	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.

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel, Roeder, Smith & Company does not provide investment advice.

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payment of current beneficiaries. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity analysis. The following presents the net pension liability/(asset), calculated using the discount rate of 7.50%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

Police Old Hire Plan			
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.5%
Net Pension Liability/(Asset)	348,400	307,401	271,380

NOTE 5 OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Plan Description – The City of Las Animas contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The City of Las Animas is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City of Las Animas are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2017, 2016 and 2015, the City of Las Animas contributions to the HCTF were \$11,781, \$11,358 and \$10,628, respectively, equal to their required contributions for each year.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 INTERGOVERNMENTAL AGREEMENT

The City of Las Animas is a member of (CIRSA). The Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity, was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 29-1-201 et. seq., C.R.S. as amended, 8-44-101(1)(c) and (3), and 8-44-110, C.R.S. as amended, and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members a self-insurance pool to provide defined coverages, and claims and risk management services related thereto.

It is the intent of the members of CIRSA to create an entity to defend and indemnify, in accordance with the Bylaws, any member of CIRSA against liability or loss, to the limit of the financial resources of CIRSA available to pay such liability or loss. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The Bylaws shall constitute the substance of the intergovernmental contract among the members.

Summary audited financial information as of December 31, 2017 follows:

Assets	<u>87,768,283</u>
Liabilities	33,977,576
Fund Equity	<u>53,790,707</u>
	<u>87,768,283</u>
Revenues	26,784,613
Expenditures	23,649,283
Distributions to Members (Credits to Members)	<u>544,159</u>
Current Period Excess (Deficiency)	<u>2,591,171</u>

NOTE 7 SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four Enterprise Funds which provide electric, water, sewer, and sanitation operational services. Each are segments. Since all enterprise funds are reported separately as major funds in the fund financial statements, no segment disclosures are required.

NOTE 8 CONTINGENCIES

The City is not involved in any claims or actions which will result in costs or losses to the City that are uninsured or of a material nature.

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 9 COMMITMENTS

The City has various operating leases for equipment. These agreements are all subject to annual appropriation of funds by the City.

NOTE 10 CASH AND INVESTMENTS

The City's cash at year-end consisted of deposits in financial institutions and was entirely covered by federal depository insurance or by collateral held by the financial institutions as their agent in the City's name. Collateral is held under provisions of the Public Deposit Protection Act of 1975. This act requires pledged collateral to be clearly identified as security for public deposits and it requires that the pledging financial institution certify to the secured governmental unit that it is secured and indicate the location of the collateral. In the event of default or insolvency on the part of the pledging financial institution, the custodian will surrender the collateral to the state bank commissioner. A breakdown of cash deposits and certificates of deposit follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	500,000	500,000
Uninsured, Collateral held by Bank or its agent in City's name	<u>3,545,211</u>	<u>3,766,709</u>
<u>Sub-Total</u>	4,045,211	4,266,709
Plus Cash with County Treasurer	3,770	-
Petty Cash	<u>400</u>	<u>-</u>
<u>Net Cash & Certificates of Deposit</u>	<u>4,049,381</u>	<u>4,266,709</u>

As presented above, deposits with a bank balance of \$3,766,709 and a carrying balance of \$3,545,211 as of December 31, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Reserves

Article X, Section 20 of the Constitution of the State of Colorado requires the City to establish Emergency Reserves (see Note 11). \$41,050 of fund balance has been restricted in compliance with this requirement.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 11 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. 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 initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future 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.

TABOR requires local governments to establish an Emergency Reserve of 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.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

During 1999, the authorized voters of the City of Las Animas, Colorado, also voted to authorize the City, without creating any new tax or creating an increase in any current tax to collect, retain, and expend the full proceeds of all of the City's sales tax and use tax, non-federal grants and other revenue from any other source, notwithstanding any state restriction on Fiscal Year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, effective January 1, 2000 for the use for expenditure for any Lawful Municipal purposes.

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 qualification as an Enterprise) will require judicial interpretation.

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 12 ADVANCE REFUNDING BONDS - WATER FUNDS

Water Fund

In prior years, the City defeased certain general obligation and other debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

A schedule of Debt Service requirements to maturity for these refunded bonds are presented as follows:

1983 Farmers Home Administration Note - Water Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>34,000</u>	<u>1,700</u>	<u>35,700</u>
Totals	<u>34,000</u>	<u>1,700</u>	<u>35,700</u>

NOTE 13 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The City maintains commercial insurance and participates in a public entity risk pool for all risks of loss. Settled claims have not exceeded these coverages in any of the past three fiscal years.

NOTE 14 ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS

At December 31, 2017, the City has provided an allowance for estimated uncollectible utility billings of \$20,000. The receivables shown in the financial statements of the utility funds are net of this allowance.

NOTE 15 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

	<u>Interfund Receivables / Payables</u>	<u>Interfund Transfers</u>
Governmental Activities	<u>—</u>	<u>45,550</u>

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

NOTE 16 INTERFUND ACTIVITY

Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 2017 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
Governmental Activities	-	9,694	Within One Year	Operational
Business-Type Activities	9,694	-	Within One Year	Operational

Interfund Transfers

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose</u>
Governmental Activities:			
General	-	18,703	Capital Acquisition
Sales Tax Development	-	14,000	Capital Acquisition
Infrastructure & Improvement	-	146,382	Capital Acquisition
Parks & Recreation	45,550	-	Capital Acquisition
Business Type Activities:			
Water	80,517	-	Capital Acquisition
Sewer	23,018	-	Capital Acquisition
Sanitation	<u>30,000</u>	<u>-</u>	Capital Acquisition
	<u>179,085</u>	<u>179,085</u>	

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

The General Fund accounts for all transactions of the City not accounted for in other funds. This fund represents an accounting for the City's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

Pension Trend Data

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	324,056	321,024	(3,032)
Sales Tax	165,000	167,796	2,796
Registration Fees	7,200	7,275	75
Light and Power Franchise	123,967	120,357	(3,610)
Interest	4,000	1,973	(2,027)
Property Tax Interest	-	1,579	1,579
Highway Users Tax	83,786	82,430	(1,356)
Specific Ownership Tax	22,000	27,849	5,849
Severance Tax	10,000	27,277	17,277
Cigarette Tax	1,500	1,030	(470)
Cable TV Franchise	2,500	1,673	(827)
Kinder Morgan Gas Franchise	21,000	15,592	(5,408)
Telephone Franchise	1,200	1,135	(65)
County Road & Bridge	12,700	11,973	(727)
Court and Traffic Fines	15,000	4,528	(10,472)
Other Revenues	10,500	1,302	(9,198)
Administration Fees	108,800	89,800	(19,000)
Rental Income	-	7,800	7,800
Licenses and Permits	7,000	8,460	1,460
Dog Pound Fees	8,000	9,912	1,912
Grants – TNR	-	(1,679)	(1,679)
Sale of Equipment	5,000	-	(5,000)
Revolving Loan Payments	30,000	8,400	(21,600)
Health Fund Contributions	15,000	699	(14,301)
Reimbursements	-	25	25
<u>TOTAL REVENUES</u>	<u>978,209</u>	<u>918,210</u>	<u>(59,999)</u>

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

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
<u>EXPENDITURES</u>			
<u>GENERAL GOVERNMENT</u>			
<u>Administration</u>			
Salaries	152,441	150,470	1,971
Payroll Taxes and Benefits	60,670	58,373	2,297
Audit	3,575	3,744	(169)
Attorney Fees	2,000	770	1,230
Mayor's Expenses	200	391	(191)
Dues	1,412	1,319	93
Insurance	5,200	5,188	12
Office Supplies and Printing	8,000	3,390	4,610
Postage	-	3,884	(3,884)
Utilities	1,200	993	207
Office Equipment Fees	1,000	0	1,000
Office Equipment Supplies & Expenditures	10,750	7,766	2,984
Travel and Education	2,000	335	1,665
Miscellaneous	1,000	1,199	(199)
Ordinance Codification	3,000	-	3,000
Election Expense	3,000	3,734	(734)
Treasurer Fees	5,000	6,420	(1,420)
Contract Service	500	270	230
Internet Service	1,200	992	208
Health Fund Reimbursement	11,000	17,552	(6,552)
TNR Grant	-	4,856	(4,856)
<u>Total Administration</u>	<u>273,148</u>	<u>271,646</u>	<u>1,502</u>
<u>Municipal Court</u>			
Salaries	3,900	3,570	330
Payroll Taxes and Benefits	950	382	568
Office Supplies and Printing	100	-	100
Postage	50	-	50
Miscellaneous	500	156	344
<u>Total Municipal Court</u>	<u>5,500</u>	<u>4,108</u>	<u>1,392</u>
<u>Dog Pound</u>			
Salaries	15,300	21,928	(6,628)
Payroll Taxes and Benefits	4,800	4,748	52
Insurance	1,700	1,646	54
Office Supplies and Printing	2,000	1,974	26
Postage	-	6	(6)
Utilities	5,000	1,982	3,018
Veterinary Service	-	1,206	(1,206)
Maintenance	2,000	59	1,941
Miscellaneous	3,500	580	2,920
<u>Total Dog Pound</u>	<u>34,300</u>	<u>34,129</u>	<u>171</u>

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

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Municipal Hall</u>			
Salaries	15,300	10,029	5,271
Payroll Taxes & Benefits	4,740	3,457	1,283
Insurance	1,650	1,646	4
Office Supplies	4,000	3,907	93
Building Maintenance	1,500	1,925	(425)
Utilities	10,000	6,556	3,444
Capital Outlay	10,000	360	9,640
<u>Total Municipal Hall</u>	<u>47,190</u>	<u>27,880</u>	<u>19,310</u>
 <u>TOTAL GENERAL GOVERNMENT</u>	 <u>360,138</u>	 <u>337,763</u>	 <u>22,375</u>
 <u>PUBLIC SAFETY</u>			
<u>Police Department</u>			
Contracted Services–Bent County	355,000	350,120	4,880
Pension Payment – Old Hire Retirement Fund	33,962	33,962	-
<u>Total Police Department</u>	<u>388,962</u>	<u>384,082</u>	<u>4,880</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>388,962</u>	<u>384,082</u>	<u>4,880</u>
 <u>PUBLIC WORKS</u>			
<u>Street Department</u>			
Salaries	73,166	68,391	4,775
Payroll Taxes and Benefits	40,841	34,640	6,201
Insurance	5,765	5,761	4
Office Supplies and Printing	1,200	1,242	(42)
Utilities	56,500	49,919	6,581
Maintenance	6,750	7,586	(836)
Fuel	2,300	2,925	(625)
Field Supplies	2,000	2,973	(973)
Miscellaneous	4,700	6,146	(1,446)
<u>Total Street Department</u>	<u>193,222</u>	<u>179,583</u>	<u>13,639</u>
<u>TOTAL PUBLIC WORKS</u>	<u>193,222</u>	<u>179,583</u>	<u>13,639</u>

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

CITY OF LAS ANIMAS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVOLVING LOAN</u>			
Concrete	25,000	2,077	22,923
Supplies	2,000	-	2,000
Contracted Services	<u>30,000</u>	<u>3,360</u>	<u>26,640</u>
<u>Total Revolving Loan</u>	<u>57,000</u>	<u>5,437</u>	<u>51,563</u>
<u>RESERVES</u>			
Contingency Reserves	<u>443,594</u>	-	<u>443,594</u>
<u>Total Reserves</u>	<u>443,594</u>	-	<u>443,594</u>
<u>TOTAL EXPENDITURES</u>	<u>1,442,916</u>	<u>906,865</u>	<u>536,051</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(464,707)</u>	<u>11,345</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	29,000	11,347	(17,653)
Operating Transfers (Out)	<u>(39,050)</u>	<u>(30,050)</u>	<u>9,000</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(10,050)</u>	<u>(18,703)</u>	<u>(8,653)</u>
<u>REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)</u>	<u>(474,757)</u>	<u>(7,358)</u>	
<u>FUND BALANCE, Beginning</u>	<u>474,757</u>	<u>418,006</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>410,648</u>	

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

PENSION TREND DATA

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
 AND RELATED RATIOS MULTIYEAR
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)
 For the Year ended December 31, 2017

Measurement period ending December 31,	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Pension Liability			
Interest on the Total Pension Liability	40,548	38,887	40,851
Difference Between Expected and Actual Experience of the total Pension Liability	-	20,981	-
Changes of Assumptions	-	25,232	-
Benefit Payments	<u>(62,700)</u>	<u>(62,700)</u>	<u>(54,982)</u>
Net Change in Total Pension Liability	<u>(22,152)</u>	<u>22,400</u>	<u>(14,131)</u>
Total Pension Liability – Beginning	<u>571,427</u>	<u>549,275</u>	<u>571,675</u>
Total Pension Liability – Ending	<u>549,275</u>	<u>571,675</u>	<u>557,544</u>
Plan Fiduciary Net Position			
Employer Contributions	-	50,206	26,510
Pension Plan Net Investment Income	19,932	4,715	12,495
Benefit Payments	<u>(62,700)</u>	<u>(62,700)</u>	<u>(54,982)</u>
Pension Plan Administrative Expense	<u>(3,336)</u>	<u>(748)</u>	<u>(3,558)</u>
Net Change in Plan Fiduciary Net Position	<u>(46,104)</u>	<u>(8,527)</u>	<u>(19,535)</u>
Plan Fiduciary Net Position – Beginning	<u>324,309</u>	<u>278,205</u>	<u>269,678</u>
Plan Fiduciary Net Position – Ending	<u>278,205</u>	<u>269,678</u>	<u>250,143</u>
Net Pension Liability/(Asset)	271,070	301,997	307,401
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	50.65%	47.17%	44.87%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE SCHEDULE OF CONTRIBUTIONS MULTI-YEAR
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)
 For the Year Ended December 31, 2017

<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>
2014	23,696	-	23,696	N/A	N/A
2015	26,510	50,206	(23,696)	N/A	N/A
2016	26,510	26,510	-	N/A	N/A

CITY OF LAS ANIMAS, COLORADO
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY OF THE LOCAL GOVERNMENT DIVISION TRUST FUND
 A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
 ADMINISTERED BY THE COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
 For the Year Ended DECEMBER 31, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
City's proportion of the net pension liability	.1814%	.1835%	.1837%
City's proportionate share of the net pension liability	\$1,625,892	\$2,021,142	\$2,480,707
City's covered-employee payroll	\$1,042,003	\$1,113,514	\$1,155,006
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	156%	182%	215%
Plan fiduciary net position as a percentage of the total pension liability	80.72%	76.9%	73.6%

CITY OF LAS ANIMAS, COLORADO
 SCHEDULE OF CITY CONTRIBUTIONS TO THE LOCAL GOVERNMENT DIVISION TRUST FUND
 A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ADMINISTERED BY
 THE COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
 For the Year Ended DECEMBER 31, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 132,126	\$ 141,194	\$ 146,455
Contributions in relation to the contractually required contribution	<u>\$ (132,126)</u>	<u>\$ (141,194)</u>	<u>\$ (146,455)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$1,042,003	\$1,113,514	\$1,155,006
Contributions as a percentage of covered-employee payroll	12.68%	12.68%	12.68%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Capital Projects Funds are used to account for specific revenues that are legally restricted to expenditure for capital purposes.

Infrastructure and Improvement Fund – is used to account for the expenditures for the construction and improvement of infrastructure assets. This fund is financed with sales tax receipts.

1% Street Improvement Fund – accounts for proceeds of specific revenue sources that are legally restricted to expenditures for street improvement.

NON MAJOR GOVERNMENTAL FUND

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Conservation Trust Fund – to account for the operations of a conservations trust fund financed by the state. Contributions are to be for the improvement of park and recreation facilities.

Park and Recreation Fund – to account for the operation of the Parks and Recreation facilities of the city.

Sales Tax Development Fund – to account for proceeds of specific revenue sources that are to be used to promote community services.

Safe Route to School Fund – this fund is provided to maintain a separate accounting for a state grant to a specific program to provide safe access to area schools.

CITY OF LAS ANIMAS, COLORADO
 INFRASTRUCTURE AND IMPROVEMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUES</u>			
Sales Tax Revenue	163,500	164,759	1,259
Interest Revenue	<u>300</u>	<u>155</u>	<u>(145)</u>
<u>Total Revenues</u>	<u>163,800</u>	<u>164,914</u>	<u>1,114</u>
<u>EXPENDITURES</u>			
Debt Service	15,780	-	15,780
Contingency Reserve	<u>65,246</u>	<u>-</u>	<u>65,246</u>
<u>Total Expenditures</u>	<u>81,026</u>	<u>-</u>	<u>81,026</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>			
	<u>82,774</u>	<u>164,914</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	(148,000)	(146,382)	1,618
<u>Total Other Financing Sources (Uses)</u>	<u>(148,000)</u>	<u>(146,382)</u>	<u>1,618</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>			
	(65,226)	18,532	
<u>FUND BALANCES, Beginning</u>			
	<u>65,226</u>	<u>77,740</u>	
<u>FUND BALANCES, Ending</u>			
	<u>-</u>	<u>96,272</u>	

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

CITY OF LAS ANIMAS, COLORADO
1% STREET IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Sales Tax	163,500	164,759	1,259
Interest Revenue	400	195	(205)
Other Revenue	<u>2,000</u>	<u>4,657</u>	<u>2,657</u>
<u>Total Revenues</u>	<u>165,900</u>	<u>169,611</u>	<u>3,711</u>
<u>EXPENDITURES</u>			
Highways and Streets	170,900	181,350	(10,450)
Contingency Reserve	<u>43,249</u>	-	<u>43,249</u>
<u>Total Expenditures</u>	<u>214,149</u>	<u>181,350</u>	<u>32,799</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES</u>	<u>(48,249)</u>	<u>(11,739)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	<u>5,000</u>	-	<u>(5,000)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>5,000</u>	-	<u>(5,000)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u>			
<u>OTHER FINANCING SOURCES OVER EXPENDITURES</u>			
<u>AND OTHER USES</u>	<u>(43,249)</u>	<u>(11,739)</u>	
<u>FUND BALANCES, Beginning</u>	<u>43,249</u>	<u>100,922</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>89,183</u>	

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

CITY OF LAS ANIMAS, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2017

	<u>Special Revenue Fund</u>				Total Non-Major Governmental Funds
	<u>Conservation Trust</u>	<u>Parks and Recreation</u>	<u>Sales Tax Development</u>	<u>Safe Route to School</u>	
<u>ASSETS</u>					
Cash and Cash Equivalents	15,790	10,611	37,177	3	63,581
Accounts Receivable	-	-	6,736	-	6,736
Due from Other Funds	-	-	-	-	-
Total Assets	<u>15,790</u>	<u>10,611</u>	<u>43,913</u>	<u>3</u>	<u>70,317</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted for:					
Parks and Recreation	15,790	-	-	-	15,790
Capital Improvements	-	-	-	3	3
Street Improvement	-	-	-	-	-
Economic Development	-	-	43,913	-	43,913
Assigned for:					
Parks and Recreation	-	<u>10,611</u>	-	-	<u>10,611</u>
Total Fund Balances	<u>15,790</u>	<u>10,611</u>	<u>43,913</u>	<u>3</u>	<u>70,317</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>15,790</u>	<u>10,611</u>	<u>43,913</u>	<u>3</u>	<u>70,317</u>

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

CITY OF LAS ANIMAS, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2017

	<u>Special Revenue Fund</u>				Total Non-Major Governmental Funds
	<u>Conservation Trust</u>	<u>Parks and Recreation</u>	<u>Sales Tax Development</u>	<u>Safe Route to School</u>	
<u>REVENUES</u>					
Taxes	-	-	83,153	-	83,153
Intergovernmental	21,901	-	-	-	21,901
Interest	35	3	78	-	116
Other	-	<u>23,925</u>	<u>1,886</u>	-	<u>25,811</u>
<u>Total Revenues</u>	<u>21,936</u>	<u>23,928</u>	<u>85,117</u>	<u>-</u>	<u>130,981</u>
<u>EXPENDITURES</u>					
Highways and Street	-	-	-	-	-
Culture and Recreation	21,849	61,871	158	-	83,878
Public Safety	-	-	-	-	-
Community Services	-	-	69,935	-	69,935
Debt Services	-	-	-	-	-
<u>Total Expenditures</u>	<u>21,849</u>	<u>61,871</u>	<u>70,093</u>	<u>-</u>	<u>153,813</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	87	(37,943)	15,024	-	(22,832)
<u>Other Financing Sources (Uses)</u>					
<u>Operating Transfers In (Out)</u>	<u>-</u>	<u>45,550</u>	<u>(14,000)</u>	<u>-</u>	<u>31,550</u>
<u>Excess (Deficiency) of Revenues And Other Financing Sources Over Expenditures & Other Uses</u>	87	7,607	1,024	-	8,718
<u>Fund Balances, Beginning</u>	<u>15,703</u>	<u>3,004</u>	<u>42,889</u>	<u>3</u>	<u>61,599</u>
<u>Fund Balances, Ending</u>	<u>15,790</u>	<u>10,611</u>	<u>43,913</u>	<u>3</u>	<u>70,317</u>

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

CITY OF LAS ANIMAS, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	21,500	21,901	401
Interest	<u>30</u>	<u>35</u>	<u>5</u>
<u>Total Revenues</u>	<u>21,530</u>	<u>21,936</u>	<u>406</u>
<u>EXPENDITURES</u>			
Culture and Recreation	21,518	21,849	(331)
Contingency	<u>10,596</u>	<u>-</u>	<u>10,596</u>
<u>Total Expenditures</u>	<u>32,114</u>	<u>21,849</u>	<u>10,265</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>			
	(10,584)	<u>87</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u> <u>OTHER FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>			
	(10,584)	87	
<u>FUND BALANCE, Beginning</u>	<u>10,584</u>	<u>15,703</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>15,790</u>	

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

CITY OF LAS ANIMAS, COLORADO
PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Interest	50	3	(47)
Other	<u>27,215</u>	<u>23,925</u>	<u>(3,290)</u>
<u>Total Revenues</u>	<u>27,265</u>	<u>23,928</u>	<u>(3,337)</u>
<u>EXPENDITURES</u>			
Culture and Recreation	79,811	61,871	17,940
Contingency	<u>2,908</u>	<u>-</u>	<u>2,908</u>
<u>Total Expenditures</u>	<u>82,719</u>	<u>61,871</u>	<u>20,848</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>			
	(55,454)	(37,943)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In(Out)	<u>52,550</u>	<u>45,550</u>	<u>(7,000)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>52,550</u>	<u>45,550</u>	<u>(7,000)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>			
	(2,904)	7,607	
<u>FUND BALANCES, Beginning</u>			
	<u>2,904</u>	<u>3,004</u>	
<u>FUND BALANCES, Ending</u>			
	<u>-</u>	<u>10,611</u>	

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

CITY OF LAS ANIMAS, COLORADO
 SALES TAX DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Sales Tax	76,500	83,153	6,653
Interest	300	78	(222)
Other	<u>1,000</u>	<u>1,886</u>	<u>886</u>
<u>Total Revenues</u>	<u>77,800</u>	<u>85,117</u>	<u>7,317</u>
<u>EXPENDITURES</u>			
Culture and Recreation	-	158	(158)
Community Services	71,350	69,935	1,415
Contingency	<u>26,607</u>	<u>-</u>	<u>26,607</u>
<u>Total Expenditures</u>	<u>97,957</u>	<u>70,093</u>	<u>27,864</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(20,157)</u>	<u>15,024</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	3,000	3,000	-
Operating Transfers (Out)	<u>(17,000)</u>	<u>(17,000)</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(14,000)</u>	<u>(14,000)</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>(34,157)</u>	<u>1,024</u>	
<u>FUND BALANCES, Beginning</u>	<u>34,157</u>	<u>42,889</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>43,913</u>	

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

CITY OF LAS ANIMAS, COLORADO
SAFE ROUTE TO SCHOOL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUES</u>			
Intergovernmental	-	-	-
Interest Revenue	-	-	-
Other Revenue	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>			
Highway and Streets	-	-	-
Culture and Recreation	-	-	-
Miscellaneous	-	-	-
Contingency	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>			
	<u>-</u>	<u>-</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>			
	-	-	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>3</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>3</u>	

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

ENTERPRISE FUNDS – BUDGET STATEMENTS

CITY OF LAS ANIMAS, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance-Favorable <u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	737,000	720,426	(16,574)
Other	<u>32,000</u>	<u>38,634</u>	<u>6,634</u>
<u>Total Operating Revenues</u>	<u>769,000</u>	<u>759,060</u>	<u>(9,940)</u>
<u>OPERATING EXPENSES</u>			
Salaries	214,076	212,200	1,876
Payroll Taxes & Benefits	94,448	81,955	12,493
Insurance	9,500	9,054	446
Office Supplies	7,000	8,803	(1,803)
Utilities & Telephone	150,000	119,560	30,440
Maintenance	183,700	14,068	169,632
Capital Outlay	49,500	128,960	(79,460)
Miscellaneous	7,000	8,026	(1,026)
Education and Travel	2,500	360	2,140
Fuel	14,000	3,684	10,316
Contracted Services	7,000	4,161	2,839
Field Supplies	57,500	61,384	(3,884)
Administrative Fee	32,100	29,700	2,400
Bad Debt Expense	(1,000)	3,920	(4,920)
Contingency	4,134,579	-	4,134,579
Pension Expense	-	90,691	(90,691)
<u>Total Operating Expenses</u>	<u>4,961,903</u>	<u>776,526</u>	<u>4,185,377</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(4,192,903)</u>	<u>(17,466)</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Capital Grant	14,500	13,200	(1,300)
Interest Revenue	3,000	2,433	(567)
Other Revenue	20,000	20,456	456
Principal Debt Retirement		(53,267)	(53,267)
Interest Paid	<u>(89,700)</u>	<u>(36,127)</u>	<u>53,573</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(52,200)</u>	<u>(53,305)</u>	<u>(1,105)</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(4,245,103)</u>	<u>(70,771)</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfer In (Out)	<u>64,000</u>	<u>80,517</u>	<u>16,517</u>
<u>Total Operating Transfers</u>	<u>64,000</u>	<u>80,517</u>	<u>16,517</u>
<u>NET INCOME (LOSS)</u>	<u>(4,181,103)</u>	9,746	
<u>NET POSITION, Beginning</u>	<u>4,181,103</u>	<u>4,171,095</u>	
<u>BUDGETARY BASIS – NET POSITION, (DEFICIT) Ending</u>	-	4,180,841	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS</u>			
Depreciation	-	(237,030)	
Capital Outlay	-	113,735	
Principal Debt Retirement	-	<u>53,267</u>	
<u>NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>4,110,813</u>	

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

CITY OF LAS ANIMAS, COLORADO
SEWER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Variance- Favorable
<u>OPERATING REVENUES</u>	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Charges for Services	487,500	476,815	(10,685)
Other	<u>7,000</u>	<u>7,186</u>	<u>186</u>
<u>Total Operating Revenues</u>	<u>494,500</u>	<u>484,001</u>	<u>(10,499)</u>
<u>OPERATING EXPENSES</u>			
Salaries	108,313	95,957	12,356
Payroll Taxes & Benefits	55,050	42,433	12,617
Insurance	9,500	9,054	446
Office Supplies	2,000	880	1,120
Postage	-	2	(2)
Utilities & Telephone	76,550	79,903	(3,353)
Maintenance	41,500	38,337	3,163
Capital Outlay	1,486,000	635,904	850,096
Miscellaneous	12,000	8,255	3,745
Education and Travel	2,000	500	1,500
Fuel	15,300	3,170	12,130
Contracted Services	5,500	21,226	(15,726)
Field Supplies	7,000	1,634	5,366
Administrative Fee	38,900	26,200	12,700
Bad Debt Expense	(1,000)	3,515	(4,515)
Contingency Reserve	2,849,043	-	2,849,043
Pension Expense	-	41,010	(41,010)
<u>Total Operating Expenses</u>	<u>4,707,656</u>	<u>1,007,980</u>	<u>3,699,676</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(4,213,156)</u>	<u>(523,979)</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Capital Grants/Loan Forgiveness	500,500	631,653	131,153
Interest Revenue	1,500	988	(512)
Other Revenue	941,500	19,699	(921,801)
Principal Debt Retirement	-	(116,800)	(116,800)
Interest Paid	(123,550)	(5,593)	117,957
<u>Total Non-Operating Revenues (Expenses)</u>	<u>1,319,950</u>	<u>529,947</u>	<u>(790,003)</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(2,893,206)</u>	<u>5,968</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfer In (Out)	<u>44,280</u>	<u>23,018</u>	<u>(21,262)</u>
<u>Total Operating Transfers</u>	<u>44,280</u>	<u>23,018</u>	<u>(21,262)</u>
<u>NET INCOME (LOSS)</u>	<u>(2,848,926)</u>	<u>28,986</u>	
<u>NET POSITION, Beginning</u>	<u>2,848,926</u>	<u>3,093,634</u>	
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>3,122,620</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS</u>			
Depreciation	-	(182,832)	
Capital Outlay	-	635,031	
Principal Debt Retirement	-	116,800	
<u>NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>3,691,619</u>	

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

CITY OF LAS ANIMAS, COLORADO
SANITATION FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2017

<u>OPERATING REVENUES</u>	<u>Budgeted Amounts</u>	<u>Variance-Favorable</u>	
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Charges for Services	567,500	525,777	(41,723)
Other	<u>17,500</u>	<u>18,556</u>	<u>1,056</u>
<u>Total Operating Revenues</u>	<u>585,000</u>	<u>544,333</u>	<u>(40,667)</u>
<u>OPERATING EXPENSES</u>			
Salaries	69,190	82,861	(13,671)
Payroll Taxes & Benefits	30,480	30,507	(27)
Insurance	6,000	6,250	(250)
Compaction and Disposal	69,500	135,507	(66,007)
Maintenance	259,300	53,125	206,175
Miscellaneous	37,800	22,949	14,851
Bad Debt Expense	(700)	2,248	(2,948)
Contracted Services	104,500	15,257	89,243
Administrative Fee	33,000	32,700	300
Transfer Station	33,000	48,866	(15,866)
County Reimbursement	22,000	18,784	3,216
Landfill Post Closure Costs	5,000	36,640	(31,640)
Landfill Penalty	-	-	-
Contingency Reserve	489,144	-	489,144
Capital Outlay	-	188,093	(188,093)
Pension Expense	-	<u>35,414</u>	<u>(35,414)</u>
<u>Total Operating Expenses</u>	<u>1,158,214</u>	<u>709,201</u>	<u>449,013</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(573,214)</u>	<u>(164,868)</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Debt Proceeds	-	-	-
Interest Revenue	500	508	8
Loss on Sale of Equipment	-	(56,438)	(56,438)
Contributions for Purchase of Equipment	-	64,698	64,698
Interest Paid	(100)	(17)	83
<u>Total Non-Operating Revenues (Expenses)</u>	<u>400</u>	<u>8,751</u>	<u>8,351</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(572,814)</u>	<u>(156,117)</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfer In (Out)	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<u>Total Operating Transfers</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>(542,814)</u>	<u>(126,117)</u>	
<u>NET POSITION, Beginning</u>	<u>542,814</u>	<u>551,206</u>	
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>425,089</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION</u>			
<u>AND NON-BUDGETED ITEMS</u>			
Debt Proceeds	-	-	
Depreciation	-	(77,823)	
Capital Outlay	-	188,093	
Principal Debt Retirements	-	-	
<u>NET POSITON (DEFICIT), Ending</u>	<u>-</u>	<u>535,359</u>	

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

CITY OF LAS ANIMAS, COLORADO
 LIGHT AND POWER FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET (NON-GAAP) AND ACTUAL
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Variance-Favorable
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	4,448,455	3,955,097	(493,358)
Other	<u>10,987</u>	<u>31,738</u>	<u>20,751</u>
Total Operating Revenues	<u>4,459,442</u>	<u>3,986,835</u>	<u>(472,607)</u>
<u>OPERATING EXPENSES</u>			
Salaries	538,726	527,610	11,116
Payroll Taxes and Benefits	217,806	183,305	34,501
Purchased Power	2,739,053	2,712,059	26,994
Insurance	26,930	40,034	(13,104)
Office Supplies	18,980	20,605	(1,625)
Maintenance	88,250	49,661	38,589
Capital Outlay	267,500	61,721	205,779
Miscellaneous	33,700	45,454	(11,754)
Education and Training	12,000	3,135	8,865
Fuel	20,000	8,081	11,919
Contracted Services	15,000	21,766	(6,766)
Field Supplies	132,887	72,020	60,867
Administrative Fee	125,167	121,557	3,610
Bad Debt Expense	-	26,878	(26,878)
Warehouse Expense	4,184	3,893	291
Depreciation Expense	107,800	112,970	(5,170)
Pension Expense	-	220,704	(220,704)
Contingency Reserve	<u>120,844</u>	<u>-</u>	<u>120,844</u>
Total Operating Expenditures	<u>4,468,827</u>	<u>4,231,453</u>	<u>237,374</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(9,385)</u>	<u>(244,618)</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Revenue	4,710	10,053	5,343
Other Revenue	4,800	(139)	(4,939)
Interest Paid	<u>(125)</u>	<u>-</u>	<u>125</u>
Total Non-Operating Revenues and Expenses	<u>9,385</u>	<u>9,914</u>	<u>529</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>(234,704)</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>-</u>	<u>(234,704)</u>	
<u>NET POSITION, Beginning</u>	<u>-</u>	<u>3,131,421</u>	
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>2,896,717</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS</u>			
Capital Outlay	<u>-</u>	<u>-</u>	
<u>NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>2,896,717</u>	

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

OTHER SCHEDULES

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: lacityclerk81054@gmail.com
 City/County: Las Animas

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	164,759.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	0.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 164,759.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	164,759.00
2. Infrastructure and Impact Fees:	\$	0.00

3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00

Total: (a + b) carried to 'Other local Impasts' above) \$ 164,759.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00

Total: (a through h) carried to 'Misc local receipts' above) \$ 0.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	82,430.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	0.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00

Total: (1+3c,d,e) \$ 82,430.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00

Total: (2a-f) \$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. Total Capital Outlay below)</i>	\$	181,350.00
2. Maintenance:	\$	65,839.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	0.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	247,189.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest:	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest:	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$ 247,189.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 181,350.00	\$ 181,350.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:		\$	\$ 181,350.00
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)		\$	\$ 181,350.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)	\$	\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 247,189.00	\$ 247,189.00	\$ 0.00	\$ 0.00

5/22/2018

Local Highway Finance Report - CY17

Notes & Comments:
undefined

Please enter your name: Charmaine Tripp

Please provide a telephone number where you may be reached: (719)456-0422

Save Print Mode Edit Mode

Please click on the "Save" button before viewing the data in a print format.

FORM FHWA-536e (Version 4.5) - CY17