

cPa DIXON, WALLER & CO., INC.

TOWN OF BLANCA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2018

DIXON, WALLER & CO., INC.

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TOWN OF BLANCA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
the Board of Trustees
Town of Blanca
Blanca, CO 81123

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 Town of Blanca, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Blanca, as of December 31, 2018, 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 pages 35 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Blanca's basic financial statements. The 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 individual fund schedules 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 individual fund schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



April 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

PURPOSE

The Town of Blanca's Management's Discussion and Analysis (MD&A) is designed to:

- 1) Assist the reader in focusing on significant financial issues.
- 2) Provide an overview of the Town's financial activity.
- 3) Identify changes in the Town's financial position.
- 4) Identify any material deviation from the budget.
- 5) Identify individual fund issues or concerns.
- 6) Implement the reporting requirements of GASB 34 (Governmental Accounting Standards Board Statement 34).and GASB 68

The MD&A is designed to focus on the report year's activities, resulting changes and currently known facts. Please read it in conjunction with the Town's Financial Statements.

INTRODUCTION

The Town of Blanca is a Statutory Rule Municipality, founded in 1908 and incorporated in 1909. The type of government is Town Board-Mayor with the seven elected officials being responsible for all policy decisions that affect the Town's financial condition. The appointed Town Clerk is responsible for preparing the annual budget, which is adopted by the Board by December 15th. The Clerk is responsible for financial reporting to the Town Board and to the public-at-large. The Town maintains four separate funds, which are as follows:

1. General Fund: This is the chief operating fund of the Town of Blanca. It accounts for all general services provided by the Town, excluding utilities.
2. Water and Sewer Enterprise Fund: This fund accounts for the Town's utilities and is operated in a manner similar to private business.
3. Conservation Trust Fund: This fund accounts for the lottery monies sent to the Town and for expenses related to parks and recreation that are allowed under State law.
4. Cemetery Fund: This is a savings account established for cemetery improvements.

The Volunteer Firemen Pension Fund is administered by the Fire and Police Pension Association (FPPA) for the Town of Blanca. The Town contributes 1 mill of property tax levy each year to this fund and the Colorado State Matching Funds contribution is equivalent to another ½ mill. For budgetary purposes, the Town only records expenditures related to the property tax levy in the General Fund. The Town receives quarterly reports from the FPPA, monitors and keeps records of the balances of the fund; however, the actual fund at FPPA is not considered a Town fund for budgetary purposes. In order for the Town to administer the fund, and thus include the total fund in the budget, the Town would have to withdraw its association with FPPA.

Financial Information

The Town's government-wide statements have been prepared using the economic resources measurement of focus and the accrual basis of accounting. The Town's fund financial statements for governmental funds have been prepared using the modified accrual basis of accounting. The Town's

annual audit is prepared by Dixon, Waller & Co. Inc., Certified Public Accountant, with the contents of the audit meeting the requirements set forth by the Colorado State Auditor's Office. The financial system of the Town incorporates financial and administrative controls, including a Financial Control Policy, that ensure the safeguarding of assets and the reliability of financial reports. To ensure budgeting controls, the Town Board approves all major budgetary changes by passage of a Resolution amending the budget.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the Town of Blanca's financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. This financial report is designed to provide our residents, taxpayers, customers, granting agencies, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Blanca uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds

Most of the Town's basic services are reported in governmental funds, which focus on cash flows. The unrestricted balances left at year-end are available for spending in future years. The funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view as to cash, operations, and basic services provided.

The Town of Blanca maintains three governmental funds: General Fund, Conservation Trust Fund and Cemetery Fund. Information is presented in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. Annual budget appropriations are adopted for each of these funds. Budgetary comparison statements are provided to demonstrate compliance with budgets.

Proprietary Funds

The Town's water, sewer and refuse services are reported in proprietary funds. They focus on overall economic position rather than year-end fund balances. Enterprise funds are the type of proprietary funds used to account for the Town's utilities. Enterprise funds are used to report the same functions presented in business-type activities in the governmental-wide financial statements, only in more detail.

Fiduciary Funds

Fiduciary Funds are those that are held for others and that cannot be used to support government's own programs. The Town's Volunteer Firemen Pension Fund, which is currently managed by the Fire and

Police Pension Association (FPPA), is such a fund. These funds are held in trust for the members of the Blanca Volunteer Fire Department and beneficiaries.

Notes to the Financial Statement

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the Financial Statements can be found immediately after the basic financial statements.

Government-Wide Financial Analysis

This financial report for the year ended December 31, 2018 reflects again the implementation of GASB 34 and GASB 68. GASB 34 requires governments to report the information found in the Basic Financial Statements and to include a presentation of comparative data from the prior period. GASB 68 requires similar information related to pension funds. The Town has prepared its financial report under the guidelines contained in GASB 34, and prior year comparative data for the Basic Financial Statements are available.

FINANCIAL HIGHLIGHTS

- The Town of Blanca remains in good financial condition, as the General Fund unassigned balance at year-end is \$ 426,403 with a total fund balance of \$433,703. This balance is considered to be safe levels of reserves, as it would allow the Town to cover its governmental operating costs for more than a six month period in the unlikely event of loss of revenues.
- The assets of the Town's Governmental Funds exceed its liabilities at the close of the fiscal year by \$ 1,037,425 (net position). Of this amount, \$ 472,944 (unrestricted net position) may be used to meet the Town's ongoing obligations to residents and creditors. \$ 7,300 is designated for TABOR reserve and \$ 38,846 is designated for specific activities, including Conservation Trust Fund. Under GASB 34, the Town is required to report net position in this manner. Capital Assets account for the bulk of the net position.
- At December 31, 2018, the Town's governmental funds reported combined ending fund balances of \$ 477,187, reflecting an increase of \$ 56,498.
- The Town of Blanca has as one long term debt.
 - The water and sewer fund has a debt of \$244,989 for water system improvements including the new water tank, parallel pipeline, well improvements and chlorination pipeline. This 40-year, 0% loan from the Colorado Power Authority was partially paid by principal forgiveness of \$84,700 in 2011 and \$79,800 in 2012. The unused loan amount of \$2,556.56 was also applied against the principal in 2015. The loan is repaid in two payments of \$5,325.88 each year.

STATEMENT OF NET POSITION

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Blanca's assets exceeded liabilities by \$ 1,850,492 at the close of 2018.

Statement of Net Position	2018 Governmental Activities	2018 Business-type Activities	2018 Total
Current and Other Assets	\$ 738,536	\$ 380,393	\$1,163,929
Capital Assets	<u>\$ 518,335</u>	<u>\$ 680,769</u>	<u>\$1,199,104</u>
Total Assets	\$1,301,871	\$1,061,162	\$2,363,033
Deferred Outflows	\$ 23,101	-	\$ 23,101
Total Liabilities	<u>\$ 4,547</u>	<u>\$ 248,095</u>	<u>\$ 252,642</u>
Deferred Inflows	\$ 283,000	-	\$ 283,000
Net Position:			
Invested in Capital, Restricted for Tabor Reserve	\$ 518,335	\$ 435,779	\$ 954,114
Special Revenue Funds Unrestricted	\$ 7,300	--	\$ 7,300
	\$ 38,846	--	\$ 38,846
	<u>\$ 472,944</u>	<u>\$ 377,288</u>	<u>\$ 850,232</u>
Total Net Assets	<u>\$1,037,425</u>	<u>\$ 813,067</u>	<u>\$1,850,492</u>

The much of the Town's net assets (52%) reflects its investment in capital assets (land, buildings and systems, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending. The remaining balance of net assets (less the TABOR reserve), \$842,932, may be used to meet the Town's ongoing obligations to residents, businesses and creditors.

STATEMENT OF ACTIVITIES

Governmental Activities

For 2018, total revenue for Governmental Activities was greater than expenses by \$ 56,498. Total revenue for Business-type Activities (Enterprise Fund) was greater than expenses by \$ 52,203 excluding depreciation.

The following condensed table of changes in net assets illustrates changes in net positions for Governmental Activities and Business-type Activities for 2018.

Changes in Net Position

	2018 Governmental Activities	2018 Business-type Activities	2018 Total Activities
Revenues			
Program Revenues:			
Charges for service	\$ 28,677	\$ 149,509	\$178,186
Operating Grants & Contributions	64,336		64,336
General Revenues:			
Taxes	138,374		138,374
Intergovernmental Revenue	2,764		2,764
Unrestricted investment earnings	5,765	4,288	10,053
Other	2,549		2,549
Total Revenues	<u>\$ 242,465</u>	<u>\$ 153,797</u>	<u>\$ 396,262</u>
Expenses:			
General Government	\$ 63,815		\$ 63,815
Public Safety	91,844		91,844
Public Works	62,259		62,259
Parks, Recreation			
Pension Amortization	(4,575)		(4,575)
Water, Sewer, Trash (inc depreciation)		137,340	137,340
Total Expenses	<u>\$ 213,343</u>	<u>\$ 137,340</u>	<u>\$ 350,683</u>
Change in Net Position	\$ 29,122	\$ 16,457	\$ 45,579
Net Position, Beginning of Year	\$1,008,303	\$ 796,610	\$ 1,804,913
Net Position, End of Year	\$1,037,425	\$ 813,067	\$ 1,850,492

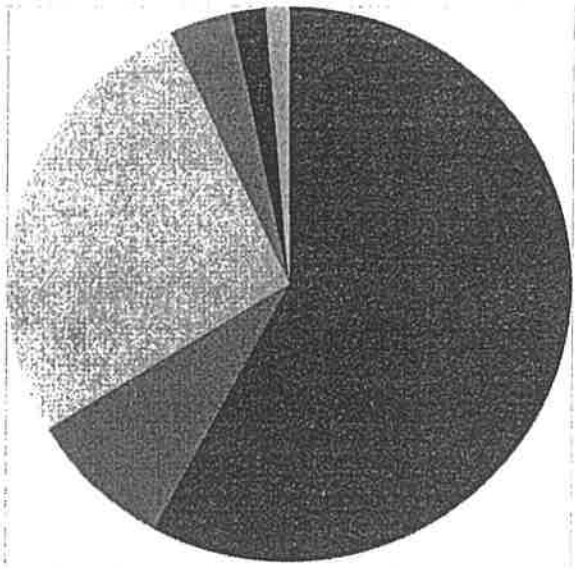
Note: Expenses for the Business-Type Activities include depreciation of \$35,746 for 2018.

General Fund Activities

As previously noted, governmental activities are principally supported by taxes, intergovernmental revenues, grant funding and charges for services. These revenues support General Government activities, including Administration, Planning, Data Processing, Town Board, Public Safety (Police, Animal Control, and Municipal Court), and Public Works, including Streets, Parks and Recreation.

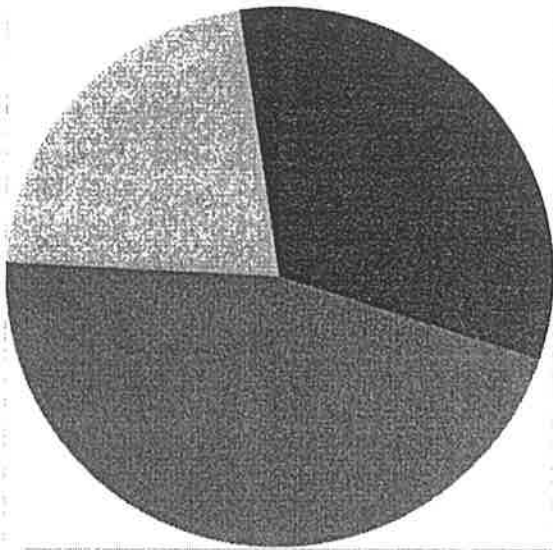
The following two charts illustrate the Governmental Activities revenues and expenses from the General Fund. Grant income and expenditures skew the percentages of normal operating income and expenditures differently each year according to the amount and type of grants received.

Government Fund Revenues



- Taxes
- Licenses/Permits
- ▨ Intergovernmental Revenue
- Fines and Forfeits
- Interest Revenue
- ▨ Miscellaneous Revenue

Government Funds Expenditures

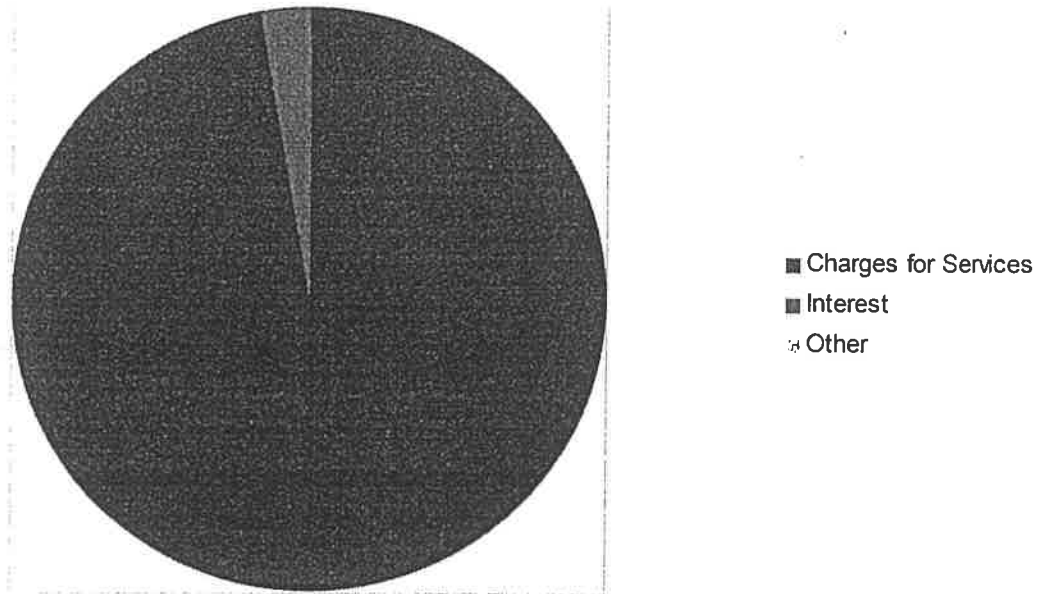


- General Government
- Public Safety
- ▨ Public Works
- Parks
- Pension (VFD) Amatorization

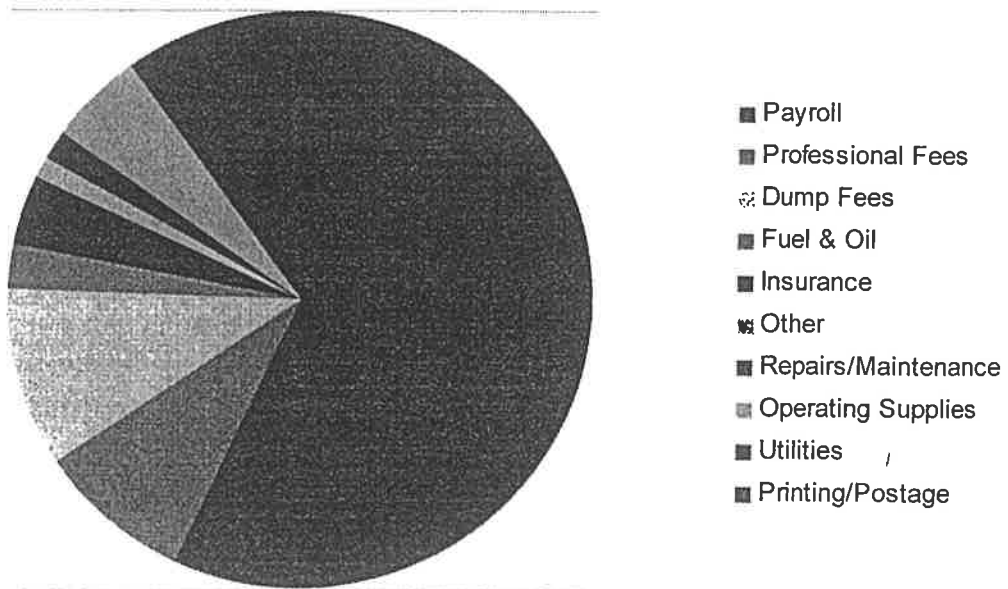
Business-type Activities

Net assets in Business-type activities increased by \$ 16,457 which was due mostly to increased water billings. The following two charts illustrate the Business-type Activities revenues and expenses excluding depreciation.

Water Sewer Department Income



Water Sewer Department Expenses



GOVERNMENTAL FUNDS WITH PRIOR YEAR COMPARISONS

Governmental Activities

General Fund

	2017	Prior Year Comparisons	
		2018	Variance
Revenues	\$ 229,125	\$ 239,678	\$ 10,553
Expenses	\$ 211,137	\$ 185,967	\$ - 25,170
Net Income	\$ 17,988	53,711	

In the General Fund, revenue was higher and expenses were lower in 2018 which continued on from 2017. Income from licenses/permits and sales taxes were higher in 2018 than in 2017. The employees received a 3% Cost of Living raise for 2018.

Conservation Trust Fund

	2017	Prior Year Comparisons	
		2018	Variance
Revenues	\$2,242	\$2,782	\$ 540
Expenses	\$275	\$0	\$ - 275
Net Income	\$1,967	\$2,782	

2018 had higher trust fund distributions than 2017. Park expenses were lower in 2018.

Cemetery Fund

	2017	Prior Year Comparisons	
		2018	Variance
Revenues	\$ 5	\$ 5	\$ 0
Expenses	\$ 0	\$ 0	\$ 0
Net Income	\$ 5	\$ 5	

No expenses were incurred in either 2017 or 2018.

Business Type Activities

Water & Sewer Fund

	2017	Prior Year Comparisons	
		2018	Variance
Revenues	\$ 160,931	\$ 149,509	\$-11,422
Expenses	\$ 143,834	\$ 137,340	\$ -6,494
Net Income	\$ 17,097	\$ 12,169	

Implementation of GASB 34 makes it more difficult for an average person to understand the actual expenses (cash flow) in the Water and Sewer Fund. GASB 34 treats depreciation as an actual expense. Debt Service is not treated as an expense. The chart above gives a GASB 34 view of expenses.

Depreciation expenses of \$ 35,746 for 2017 and \$35,746 for 2018 are included in the chart above. Ordinary expenses for the 2018 without depreciation were \$101,594.

Net operating income for 2018 without depreciation was \$ 47,915. Of that amount, \$10,652 was paid on the loan agreement with the Colorado Water Resources and Power Development Authority for the construction of improvements to the water system.

BUDGETARY HIGHLIGHTS

General Fund

Expenses

During the year ended December 31, 2018, the Town General Fund expenditures were less than the final budget by \$ 146,065. Expenses for Public Safety and Public Works were under budget, while expenses for Administration were slightly over budget.

Income

Income was \$ 19,039 more than budgeted. The Town did not apply for the budgeted \$76,000 park grant. Revenue from property taxes, fines and miscellaneous income were less than expected while income from sales taxes, licenses and interest was higher than expected.

Water & Sewer Fund

Expenses

During the year ended December 31, 2018, the Town Water and Sewer Fund expenditures were less than the final budget by \$ 22,367. This was a combination of savings in salaries, employee benefits, and repairs and maintenance. Professional services were over the budgeted amount.

Income

The income from the charges for services during 2018 was above the budgetary projections by \$14,937. The extra income was mostly due to overage charges for use above the allotted 16,000 gallons for the base rate. Interest revenue was also higher than budgeted.

Conservation Trust Fund

Income

The income for the Trust fund comes from distribution of Colorado Lottery monies and interest earned. The Town received the amount budgeted for the trust fund from the lottery. In 2018, the Conservation Trust Fund money remained with ColoTrust. The interest revenue was slightly more than the budgeted amount. The overall income was 26.5% above the budgeted amount.

Expenses

The Town budgeted \$25,700 for park improvements that were not undertaken. Regular park maintenance expenses were less than budgeted amounts. The net income for this fund was \$ 2,782.

Cemetery Fund

Income

Income for this fund comes from the sale of cemetery grave sites, fees for opening and closing graves, and donations. The fund received \$120 less than budgeted.

Expenses

This account is a savings account to accumulate money for improvements to the cemetery. There were no expenses for this fund which is what we budgeted.

The net income for this fund was \$ 5.

CAPITAL ASSETS

At December 31, 2018, the Town had invested in a range of capital assets including land, buildings and improvements, vehicles, equipment, and infrastructure. The following is the Capital Asset Activity for the year ending December 31, 2018.

Proprietary Funds Assets	
Land	\$ 3,666
Utility System	\$ 1,227,688
Less Accumulated Depreciation	\$ (550,585)
Net Capital Assets	\$ 680,769

This includes depreciation of \$35,746 for a net change in Capital assets of \$ (35,746) for 2018.

Government Type Assets	
Land	\$ 30,866
Building and Improvements	\$ 275,539
Machinery and Equipment	\$ 238,256
Infrastructure	\$ 532,470
Less Accumulated Depreciation	\$ (558,796)
Net Capital Assets	\$ 518,335

This includes depreciation of \$ 31,951 for a net change in Capital Assets of \$ (31,951) for 2018.

DEBT ADMINISTRATION

Two loan payments from the Water/Sewer Fund for the Well-Tank Project were made during 2018 for a total of \$10,652. At the end of 2018, the total loan amount to be repaid was \$244,989. Twice yearly payments of \$5,326 are scheduled in 2018.

SUMMARY OF FINANCIAL CONDITION

The Town of Blanca continues to maintain a good financial position. Financial trends have been mixed with some sectors stronger and some weaker than previous. The enterprise fund (water and sewer) balance increased in 2018 because of revenue increases and lower expenses. The fund balance is high enough for most emergencies. A part of the reserve fund is being held for possible expenses related to the new state mandated groundwater rules that will increase expenditures in the coming years.

In the Water and Sewer Department, challenges include an attempt to keep rates affordable for our citizens and at the same time fund necessary upgrades, repairs, sampling, payroll expenses and state and federal regulatory requirements.

The repair, upkeep and upgrading of the streets in the Town presents a continuing financial challenge because the income of the Town's General Fund is never sufficient to cover these necessary projects, and no grants are available for non-highway road projects. In November 2006, the citizens of the Town passed a sales tax increase of 1%, bringing the total sales tax as of January 2007 to 3%. This 1% sales tax increase helps, but does not solve, the road infrastructure problems. It does free other sales tax revenues to be applied to other essential services.

Paying for essential police services is also a challenge for the Town. In the last several years, the police department has accounted for almost half of the total expenses of the General Fund. Income from traffic fines and other miscellaneous department services such as vehicle identification number (VIN) inspections helps fund the department, but only covers about 20% of the expenditures.

REQUESTS FOR INFORMATION

If you have questions about this report or need additional information, contact the Town Clerk, P.O. Box 190, Blanca, CO 81639 or call (719) 379-3461.

BASIC FINANCIAL STATEMENTS

TOWN OF BLANCA, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	408,288	156,059	564,347
Investments	267,149	196,950	464,099
Receivables (Net, where Applicable, of Allowance for Uncollectibles):			
Accounts	14,775	24,590	39,365
Property Tax	59,658	-	59,658
Inventories	-	-	-
Inter-Entity Payables	(2,794)	2,794	-
Net Pension Asset	36,460	-	36,460
Prepaid Expense	-	-	-
Fixed Assets (Net)	<u>518,335</u>	<u>680,769</u>	<u>1,199,104</u>
<u>Total Assets</u>	<u>1,301,871</u>	<u>1,061,162</u>	<u>2,363,033</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Town Contribution Subsequent to Pension Measurement Date	5,272	-	5,272
Deferred Outflows - Plan	<u>17,829</u>	-	<u>17,829</u>
<u>Total Deferred Outflows of Resources</u>	<u>23,101</u>	<u>-</u>	<u>23,101</u>
<u>LIABILITIES</u>			
Accounts Payable	2,490	3,106	5,596
Accrued Salaries	2,057	-	2,057
Noncurrent Liabilities:			
Due Within One Year	-	10,652	10,652
Due in More Than One Year	-	234,337	234,337
Pension Liability	-	-	-
Accrued Vacation Payable	-	-	-
<u>Total Liabilities</u>	<u>4,547</u>	<u>248,095</u>	<u>252,642</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows - Plan	17,658	-	17,658
Deferred Revenues – Grants	205,684	-	205,684
Property Tax	<u>59,658</u>	-	<u>59,658</u>
<u>Total Deferred Inflows of Resources</u>	<u>283,000</u>	<u>-</u>	<u>283,000</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	518,335	435,779	954,114
Restricted for:			
Parks and Recreation	38,846	-	38,846
Tabor Reserve	7,300	-	7,300
Unrestricted	<u>472,944</u>	<u>377,288</u>	<u>850,232</u>
<u>Total Net Position</u>	<u>1,037,425</u>	<u>813,067</u>	<u>1,850,492</u>

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

TOWN OF BLANCA, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	
Governmental Activities							
General Government	63,815	20,122	716	-	(42,977)	-	(42,977)
Public Safety	91,844	8,555	-	-	(83,289)	-	(83,289)
Public Works	62,259	-	61,620	-	(639)	-	(639)
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	2,000	-	2,000	-	2,000
Pension Amortization	(4,575)	-	-	-	4,575	-	4,575
Total Governmental Activities	213,343	28,677	64,336	-	(120,330)	-	(120,330)
BUSINESS TYPE ACTIVITIES							
Water and Sewer	137,340	149,509	-	-	-	12,169	12,169
Total Business Type Activities	137,340	149,509	-	-	-	12,169	12,169
Total Primary Government	350,683	178,186	64,336	-	(120,330)	12,169	(108,161)
General Revenues:							
Property Taxes					55,551	-	55,551
Specific Ownership Taxes					4,032	-	4,032
Sales and Use Taxes					69,409	-	69,409
Franchise Taxes					9,382	-	9,382
Intergovernmental Not Specifically Restricted					2,764	-	2,764
Interest Revenue					5,765	4,288	10,053
Other Revenues					2,549	-	2,549
Total General Revenues					149,452	4,288	153,740
Changes in Net Position					29,122	16,457	45,579
Net Position – Beginning					1,008,303	796,610	1,804,913
Net Position – Ending					1,037,425	813,067	1,850,492

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

TOWN OF BLANCA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	General	Special Revenue Funds		Total Governmental Funds
		Conservation Trust	Cemetery	
<u>ASSETS</u>				
Cash	403,675	-	4,613	408,288
Investments	228,303	38,846	-	267,149
Receivables (Net, of Allowance where Applicable)				
Accounts, Grants, Notes	14,750	-	25	14,775
Property Tax	59,658	-	-	59,658
<u>Total Assets</u>	<u>706,386</u>	<u>38,846</u>	<u>4,638</u>	<u>749,870</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>				
	-	-	-	-
<u>LIABILITIES</u>				
Accounts Payable	2,490	-	-	2,490
Accrued Salaries	2,057	-	-	2,057
Due to Enterprise Fund	2,794	-	-	2,794
<u>Total Liabilities</u>	<u>7,341</u>	<u>-</u>	<u>-</u>	<u>7,341</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Tax	59,658	-	-	59,658
Unearned Grants	205,684	-	-	205,684
<u>Total Deferred Outflows</u>	<u>265,342</u>	<u>-</u>	<u>-</u>	<u>265,342</u>
<u>FUND BALANCES</u>				
Restricted for:				
Emergencies	7,300	-	-	7,300
Culture and Recreation	-	38,846	-	38,846
Assigned for:				
Health and Welfare	-	-	4,638	4,638
Unassigned	426,403	-	-	426,403
<u>Total Fund Balances</u>	<u>433,703</u>	<u>38,846</u>	<u>4,638</u>	<u>477,187</u>
<u>TOTAL LIABILITIES, DEFERRED RESOURCES AND FUND BALANCES</u>				
	<u>706,386</u>	<u>38,846</u>	<u>4,638</u>	<u>749,870</u>

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

TOWN OF BLANCA, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	477,187
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$1,077,131 and the accumulated depreciation is \$558,796.	518,335
Net pension asset, 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.	41,903
Compensated absences are not reported as a liability in the Governmental Funds.	<u> -</u>
<u>Total Net Position – Governmental Activities</u>	<u>1,037,425</u>

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

TOWN OF BLANCA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	General	Special Revenue Funds		Total Governmental Funds
		Conservation Trust	Cemetery	
<u>REVENUES:</u>				
Taxes	138,374	-	-	138,374
Licenses and Permits	20,122	-	-	20,122
Intergovernmental Revenues	64,384	2,000	-	66,384
Fines and Forfeits	8,555	-	-	8,555
Interest Revenue	4,978	782	5	5,765
Miscellaneous Revenues	<u>3,265</u>	<u>-</u>	<u>-</u>	<u>3,265</u>
<u>Total Revenues</u>	<u>239,678</u>	<u>2,782</u>	<u>5</u>	<u>242,465</u>
<u>EXPENDITURES:</u>				
General Government	56,909	-	-	56,909
Public Safety	87,536	-	-	87,536
Public Works	41,522	-	-	41,522
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service Principal	-	-	-	-
Debt Service Interest	-	-	-	-
<u>Total Expenditures</u>	<u>185,967</u>	<u>-</u>	<u>-</u>	<u>185,967</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>53,711</u>	<u>2,782</u>	<u>5</u>	<u>56,498</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Lease Purchase Proceeds	-	-	-	-
Operating Transfers In (Out)	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGES IN FUND BALANCES</u>	<u>53,711</u>	<u>2,782</u>	<u>5</u>	<u>56,498</u>
<u>FUND BALANCES – Beginning</u>	<u>379,992</u>	<u>36,064</u>	<u>4,633</u>	<u>420,689</u>
<u>FUND BALANCES - Ending</u>	<u>433,703</u>	<u>38,846</u>	<u>4,638</u>	<u>477,187</u>

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

TOWN OF BLANCA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	56,498
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	
Capital Outlays	-
Depreciation Expense	(31,951)
<p>Payments for pension benefits are recorded as an expenditure in the governmental funds but are recorded as expenses or benefit on an accrual basis in the entity-wide statements based on the changes in the net pension asset/liability.</p>	
	<u>4,575</u>
<u>Change in Net Position of Governmental Activities</u>	<u>29,122</u>

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

TOWN OF BLANCA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	<u>Business Type Activities</u>	
	<u>Enterprise Funds</u>	
	<u>Water and Sewer</u>	<u>Totals</u>
	<u>Fund</u>	
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash	156,059	156,059
Investments	196,950	196,950
Receivables:		
Accounts	24,590	24,590
Accrued Revenue	-	-
Due from Governmental Funds	2,794	2,794
Inventories	-	-
<u>Total Current Assets</u>	380,393	380,393
<u>Property, Plant and Equipment</u>		
Land	3,666	3,666
Utility System	1,227,688	1,227,688
	1,231,354	1,231,354
Less Accumulated Depreciation	(550,585)	(550,585)
<u>Net Property, Plant and Equipment</u>	680,769	680,769
<u>TOTAL ASSETS</u>	1,061,162	1,061,162
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Other	-	-
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	3,106	3,106
Note Payable - Current	10,652	10,652
<u>Total Current Liabilities</u>	13,758	13,758
<u>Noncurrent Liabilities</u>		
Accrued Vacation Payable	-	-
Note Payable	234,337	234,337
<u>Total Long-Term Liabilities</u>	234,337	234,337
<u>TOTAL LIABILITIES</u>	248,095	248,095
<u>DEFERRED INFLOW OF RESOURCES</u>		
Other	-	-
<u>NET POSITION</u>		
Net Investment in Capital Assets	435,779	435,779
Unrestricted	377,288	377,288
<u>TOTAL NET POSITION</u>	813,067	813,067

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

TOWN OF BLANCA, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018

	<u>Business Type Activities</u>	
	<u>Enterprise Funds</u>	
	Water and Sewer	
	<u>Fund</u>	<u>Totals</u>
<u>Operating Revenues</u>		
Charges for Services	149,509	149,509
Other	-	-
<u>Total Operating Revenues</u>	<u>149,509</u>	<u>149,509</u>
 <u>Operating Expenses</u>		
Salaries	46,300	46,300
Employee Benefits and Payroll Taxes	11,502	11,502
Professional Fees	8,675	8,675
Chemicals	3,963	3,963
Fuel and Oil	2,380	2,380
Insurance	3,915	3,915
Other	1,235	1,235
Repairs and Maintenance	1,602	1,602
Operating Supplies	1,422	1,422
Utilities	19,666	19,666
Depreciation	35,746	35,746
Printing and Postage	934	934
<u>Total Operating Expenses</u>	<u>137,340</u>	<u>137,340</u>
 <u>Operating Income (Loss)</u>	 <u>12,169</u>	 <u>12,169</u>
 <u>Non-Operating Revenues (Expenses)</u>		
Interest Revenue	4,288	4,288
Interest Expense	-	-
<u>Total Non-Operating Revenues (Expenses)</u>	<u>4,288</u>	<u>4,288</u>
 <u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	 <u>16,457</u>	 <u>16,457</u>
 <u>OPERATING TRANSFERS IN (OUT) (NET)</u>	 <u>-</u>	 <u>-</u>
 <u>CHANGE IN NET POSITION</u>	 16,457	 16,457
 <u>TOTAL NET POSITION, Beginning</u>	 <u>796,610</u>	 <u>796,610</u>
 <u>TOTAL NET POSITION, Ending</u>	 <u>813,067</u>	 <u>813,067</u>

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

TOWN OF BLANCA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018

	<u>Business Type Activities Enterprise Funds Water and Sewer Fund</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers & Users	147,797	147,797
Payments to Benefit Employees	57,802	57,802
Payments to Vendors – Supplies and Services	(159,874)	(159,874)
<u>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>	<u>45,725</u>	<u>45,725</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Other Revenue	-	-
<u>NET CASH PROVIDED (USED BY) – NON CAPITAL FINANCING ACTIVITIES</u>	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Non-Financed Purchase of Property & Equipment	-	-
Capital Grants	-	-
Interest Paid on Debt	-	-
Principal Paid on Debt	(10,652)	(10,652)
<u>NET CASH PROVIDED (USED FOR) – CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>(10,652)</u>	<u>(10,652)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investments (Purchased)	(4,051)	(4,051)
Investments (Matured)	-	-
Interest Received	4,288	4,288
<u>NET CASH PROVIDED (USED) – INVESTING ACTIVITIES</u>	<u>237</u>	<u>237</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>35,310</u>	<u>35,310</u>
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	<u>120,749</u>	<u>120,749</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>156,059</u>	<u>156,059</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating Income (Loss)	12,169	12,169
Non Cash Items in Operations:		
Depreciation Expense	35,746	35,746
(Increase) Decrease in Receivables/Accruals	(1,712)	(1,712)
Increase (Decrease) in Payables/Accruals	(478)	(478)
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>45,725</u>	<u>45,725</u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>		
Cash Paid for Income Tax	-	-
Cash Paid for Interest Expense	-	-
<u>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	<u>-</u>	<u>-</u>

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

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Blanca (the Town) was incorporated in 1909. The Town operates under a Mayor-Board of Trustees form of government and provides the following services as authorized by its charter: public safety (police and fire), 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 Town is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the Town (the primary government) and its component units.

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* is reported separately from the Town's legally separate *component units* for which the Town 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.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government – Wide and Fund Financial Statements (Continued)

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.

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 Town reports the following major governmental funds:

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

The *Conservation Trust Fund* accounts for state revenue for the purpose of providing for the town park.

The *Cemetery Fund* accounts for the operations of the local cemetery. The fund is financed by user fees.

TOWN OF BLANCA; COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Town reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the activities of the Town's water distribution, sewage disposal and treatment systems.

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 Town'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 Town as assets with an initial, individual cost of more than \$5,000 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.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Capital Assets (Continued)

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	10-40
Parks, Recreational and Other	5-30
Streets and Improvements	20
Vehicles	10
Equipment	10-15

E. Budgets and Budgetary Accounting

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

1. Prior to October 1, the Town Clerk submits to the Board of Trustees 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 Town 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 Town Council.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for Enterprise Funds are on a non GAAP basis.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Encumbrances

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

G. Inventory

The costs of inventories are recorded as expenditures at the time of purchase in governmental fund types.

H. Compensated Absences

The Town adopted a Vacation and Sick Leave Policy. The Policy provides that any full-time employee (40 hours per week) receive 5 sick days and 5 vacation days the first year, increasing a day a year to ten years, and ten days thereafter. Employees working between 32 and 40 hours per week receive 4 days the first year, increasing to 8 days the tenth year and thereafter. Employees working between 24 and 32 hours per week receive 3 days the first year, increasing incrementally to 6 days the tenth year and thereafter. Unused vacation balance is paid upon separation, but sick pay is not vested. The Town does not have any compensated absences payable at December 31, 2018.

I. Property Taxes

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

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, 2018.

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.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Deposits and Investments

The Town'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 Town 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.

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

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).

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. GASB Statement No. 54 (Continued)

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 Board of Trustees (the Town'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.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

The Town's Assigned Fund Balance is fund balance reporting occurring by Board of Trustees Administration authority, under the direction of the Town manager.

Order of Fund Balance Spending Policy

The Town'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.

TOWN OF BLANCA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Cemetery Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>	-	-	-	-
<u>Restricted:</u>				
Emergencies	7,300	-	-	7,300
Culture and Recreation	-	38,846	-	38,846
<u>Committed</u>	-	-	-	-
<u>Assigned:</u>				
Health and Welfare	-	-	4,638	4,638
<u>Unassigned</u>	<u>426,403</u>	<u>-</u>	<u>-</u>	<u>426,403</u>
<u>Total Fund Balances</u>	<u>433,703</u>	<u>38,846</u>	<u>4,638</u>	<u>477,187</u>

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.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2018 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	30,866	-	-	30,866
Capital Assets Being Depreciated:				
Building and Improvements	275,539	-	-	275,539
Machinery and Equipment	238,256	-	-	238,256
Infrastructure	532,470	-	-	532,470
Total Capital Assets Being Depreciated	1,046,265	-	-	1,046,265
Less Accumulated Depreciation	526,845	31,951	-	558,796
Total Capital Assets Being Depreciated	519,420	(31,951)	-	487,469
<u>Governmental Activities</u> Capital Assets, Net	550,286	(31,951)	-	518,335
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	3,666	-	-	3,666
Capital Assets Being Depreciated:				
Utility Plant	1,104,361	-	-	1,104,361
Building and Improvements	35,188	-	-	35,188
Machinery and Equipment	88,139	-	-	88,139
Total Capital Assets Being Depreciated	1,227,688	-	-	1,227,688
Less Accumulated Depreciation	514,839	35,746	-	550,585
<u>Business-Type Activities</u> Capital Assets, Net	716,515	(35,746)	-	680,769

Depreciation expense was charged to the following functions:

<u>Governmental Activities:</u>	
General Government	6,906
Public Safety	4,308
Public Works	20,737
Total Depreciation Expense – Governmental Activities	31,951
<u>Business-Type Activities:</u>	
Water and Sewer Fund	35,746
Total Depreciation Expense – Business Type Activities	35,746

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 CHANGES IN LONG-TERM DEBT

Changes in Long-Term Debt for the year ended December 31, 2018, was as follows:

Business – Type Activities

Note Payable					
Colorado Water Resources					
Power Development Authority	<u>255,641</u>	-	<u>10,652</u>	<u>244,989</u>	<u>10,652</u>
Total	<u>255,641</u>	<u>-</u>	<u>10,652</u>	<u>244,989</u>	<u>10,652</u>

Business-Type Activities

The Town entered into a loan agreement dated October, 2011, with the Colorado Water Resources and Power Development Authority for the purpose of constructing a new water storage tank, transmission line and a new chlorine contact chamber. The loan is non-interest bearing with a term of 30 years. The collateral is the net revenue of the Water and Sewer Enterprise Fund. The loan includes a maximum principal amount of \$488,500 and a provision for principal forgiveness of \$164,500.

<u>Year</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
2019	10,652	10,652	-
2020	10,652	10,652	-
2021	10,652	10,652	-
2022	10,652	10,652	-
2023	10,652	10,652	-
2024-2028	53,259	53,259	-
2029-2033	53,259	53,259	-
2034-2038	53,259	53,259	-
2039-2041	<u>31,952</u>	<u>31,952</u>	<u>-</u>
<u>Total</u>	<u>244,989</u>	<u>244,989</u>	<u>-</u>

TOWN OF BLANCA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 4 · PENSION PLANS

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

- Fire and Police Pension Plan - Statewide Defined Benefit Plan (FPPA SWDB)
- Town of Blanca Volunteer Fire Defined Benefit Plan

Plan	Net Pension <u>Liability</u>	Net Pension <u>Asset</u>	Pension <u>Expense</u>	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>
FPPA Statewide Plan	-	9,715	(6,583)	11,741	3,407
Town of Blanca Volunteer Fire	-	26,745	2,008	11,360	14,251
Totals	-	<u>36,460</u>	<u>(4,575)</u>	<u>23,101</u>	<u>17,658</u>

FPPA Statewide Defined Benefit Plan

The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the FPPA. The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB 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. Eligible employees of the Town are provided with pensions through SWDB. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://fppaco.org>.

FPPA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

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

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

TOWN OF BLANCA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4 PENSION PLANS (Continued)

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2018. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Employer contributions recognized by the SWDB from the Town were \$3,272 for the year ended December 31, 2018.

At December 31, 2018, the Town reported an asset of \$9,715 for its proportionate share of the net pension asset of SWDB. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The collective total pension asset as of December 31, 2018 is based upon the January 1, 2017 actuarial valuation.

At December 31, 2018, the Town's proportion was 0.006753 percent, which was a decrease of 0.00044 percent from its proportion measured as of December 31, 2017.

At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the SWDB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	-	(3,299)
Difference between actual and expected experience	7,006	(108)
Changes in assumptions	1,463	
The employer's contributions to the plan subsequent to the measurement date of the collective net pension liability	3,272	-
Total	11,741	(3,407)

The deferred outflows and deferred inflows related to pensions are included with total deferred outflows and total deferred inflows on the statement of net position. Deferred outflows of resources of \$3,272 related to FPPA pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase in the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 PENSION PLANS (Continued)

For the years ending December 31,	Amounts recognized in Pension Expense
2019	\$1,151
2020	\$1,001
2021	\$(401)
2022	\$(921)
2023	\$1,032
Thereafter	\$3,200

The January 1, 2017 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2017.

The components of the calculation of the net pension liability of the SWDB plan as of December 31, 2017 are shown in the following table:

	December 31, 2017
Total Pension Liability (A)	\$ 153,253
Plan Fiduciary Net Position (B)	\$ 162,968
Employer's Net Pension Liability (Asset) (A-B)	\$ (9,715)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)	106.3%

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2018	January 1, 2017
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment Rate of Return*	7.5%	7.5%
Projected Salary Increases*	4.0% - 14.0%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.000020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 PENSION PLANS (Continued)

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2016. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Illiquid Alternatives	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	2.00%	2.26% *
Total	100.00%	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF BLANCA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4 PENSION PLANS (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

	1% Decrease 6.50%	Single Discount Rate Assumption 7.50%	1% Increase (8.50%)
Proportionate share of the net pension (asset) liability	10,577	(9,715)	(26,565)

Pension plan fiduciary net position. Detailed information about the SWDB’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at: www.coFPPA.org/investments/FPPA-financial-reports.

Volunteer Firefighters

The FPPA administers an agent multiple-employer PERS. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:

<http://www.fppaco.org/annual-reports.html>

The plan provides normal retirement benefits, disability retirement and survivor benefits. Firefighters who have attained both 50 years of age and completed 20 years of active service in any fire department in the State of Colorado are eligible for a monthly pension. Upon death, the surviving spouse receives a monthly pension equal to 50% of the benefit previously received, payable until death or remarriage. The Town has four retirees in this plan as of December 31, 2017.

At December 31, 2018, the Town reported a net pension asset of \$26,745. The net pension obligation was measured as of December 31, 2017, and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of January 1, 2018.

At December 31, 2017 the total pension asset was \$126,228 and the plan fiduciary net position was \$152,973. For the year ended December 31, 2018, the Town recognized pension expense of \$2,008.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 PENSION PLANS (Continued)

At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the Volunteer pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,960	6,314
Net difference between expected and actual earnings on pension plan investments	5,579	7,937
Change in Assumptions	1,821	
The employer's contributions to the plan subsequent to the measurement date of the collective net pension liability	2,000	-
Total	11,360	14,251

The deferred outflows and deferred inflows related to pensions are included with total deferred outflows and total deferred inflows on the statement of net position. Deferred outflows of resources of \$2,000 related to the Volunteer pension, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability or increase in the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the years ending December 31,	
2019	\$ (1,943)
2020	\$ 363
2021	\$ (1,326)
2022	\$ (1,985)
2023	-
Thereafter	-

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$2,000 for the year ended December 31, 2018.

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contributions rates have a one-year lag, so the actuarial valuation as of January 1, 2017, determines the contribution amounts for 2018 and 2019.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality; Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment; Disabled: 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.

TOWN OF BLANCA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4 PENSION PLANS (Continued)

Assumption Changes

The assumptions shown above pertain to the actuarial valuation as of January 1, 2015 and the associated Actuarially Determined Contribution for the year ending December 31, 2017. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2018 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2018 Volunteer valuations.

The primary changes, which can be observed in the January 1, 2018 valuation, as compared to the assumptions shown are as follows:

Inflation	2.50%
Mortality	<p>Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience.</p> <p>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.</p> <p>Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.</p>

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 for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Private Capital	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	<u>2.00%</u>	2.26%*
Total	100.00%	

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

TOWN OF BLANCA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4 PENSION PLANS (Continued)

Development of the single discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The long term expected rate of investment return was 7.50 percent. The long term municipal bond rate was 3.78 percent. This rate is from the Federal Reserve statistical release (H.15), “based on the weekly rate closest to but not later than the measurement date.” The statistical release describes this rate as “Bond Buyer Index”, general obligation, 20 years to maturity, mixed quality.” In describing this index, the Bond Buyer notes that the bonds’ average credit quality is roughly equivalent to Moody’s Investors Service Aa2 rating and Standard & Poor’s Corp.’s AA. The last year ending December 31 in the 2016 and 2114 projection period for which projected benefit payments are fully funded in 2114.

Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	(17,468)	(26,745)	(34,868)

NOTE 5 INTERGOVERNMENTAL AGREEMENT

The Town of Blanca is a member of (CIRSA) the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity. CIRSA 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.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 INTERGOVERNMENTAL AGREEMENT (Continued)

Summary audited financial information as of December 31, 2018 follows:

Assets	<u>87,768,283</u>
Liabilities	33,977,576
Net Position	<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>
Increase (Decrease) in Net Position	<u>2,591,171</u>

NOTE 6 SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town provides water, sewer and sanitation services for the Town Residents. Segment information on separate water and sewer activities cannot be disclosed because water and sewer revenues were cross-pledged as security for combined purpose bonds over the years and thus the financial records were combined since the fund's inception. A flat rate for water, sewer and sanitation services is used by the Town and differentiation of separate water and sewer assets, liabilities, revenues, and expenses cannot be made, thus, no segment information has been presented.

NOTE 7 CONTINGENCIES

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

NOTE 8 CASH

The Town'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 Town'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 and certificates of deposit follows:

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 CASH (Continued)

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	313,471	323,962
Cash with County Treasurer	-	-
Cash on Hand	876	-
<u>Total Cash and Deposits</u>	<u>564,347</u>	<u>573,962</u>

As presented above, deposits with a bank balance of \$323,962 and a carrying balance of \$313,471 as of December 31, 2018 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 Town to establish Emergency Reserves (see Note 9). \$7,300 of fund balance has been reserved in compliance with this requirement.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the local government entities may invest:

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

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 CASH (Continued)

Investments (Continued)

At December 31, 2018, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Credit-Risk Rating</u>
COLO Trust Plus	44 Day Average	<u>464,099</u>	AAA

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The rating by Standard & Poor for each investment are disclosed above.

Concentration of Credit Risk – The Town has no policy restricting the amount that can be invested in any issuer.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has no recurring fair value measurement as of December 31, 2018:

- COLOTRUST – Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

NOTE 9 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.

TOWN OF BLANCA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. 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.

The authorized voters of the Town of Blanca, Colorado voted to authorize the Town to collect, retain and expend all revenues and other funds collected, from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided that no local tax rate or mill levy shall be increase without further voter approval.

The Town'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.

NOTE 10 RISK MANAGEMENT

The Town 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 Town 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 11 ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS

The Town writes off bad debts when accounts are deemed uncollectible. Receivables are reviewed annually to determine accounts that should be written off. As of December 31, 2018, the allowance for estimated uncollectible accounts was \$0.

TOWN OF BLANCA, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 12 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 government 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. No adjustments were required for the year ending December 31, 2018.

NOTE 13 INTERFUND TRANSACTIONS

Interfund payables and receivables arise in the normal course of operations. At December 31, 2018 interfund balances were:

	<u>Due To Fund</u>	<u>Due From Fund</u>
General Fund	-	2,794
Water & Sewer Fund	<u>2,794</u>	<u>-</u>
	<u>2,794</u>	<u>2,794</u>

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Conservation Trust – Special Revenue Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Cemetery – Special Revenue Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Pension Trend Data

TOWN OF BLANCA, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Taxes</u>				
General Property Taxes	58,191	58,191	51,320	(6,871)
Delinquent Property Tax	500	500	4,231	3,731
Specific Ownership Tax	3,500	3,500	4,032	532
Sales Tax	54,000	54,000	69,409	15,409
Franchise Tax	9,000	9,000	9,382	382
<u>Total Tax</u>	<u>125,191</u>	<u>125,191</u>	<u>138,374</u>	<u>13,183</u>
<u>Licenses and Permits</u>				
Licenses	18,473	18,473	20,122	1,649
<u>Total Licenses and Permits</u>	<u>18,473</u>	<u>18,473</u>	<u>20,122</u>	<u>1,649</u>
<u>Intergovernmental Revenue</u>				
Cigarette Tax	-	-	182	182
State Pension Contribution	-	-	-	-
Highway Users Tax	47,000	47,000	61,620	14,620
Motor Vehicle Tax	1,700	1,700	1,881	181
Severance Tax	500	500	701	201
<u>Total Intergovernmental Revenue</u>	<u>49,200</u>	<u>49,200</u>	<u>64,384</u>	<u>15,184</u>
<u>Fines and Forfeits</u>				
Fines and Fees	20,000	20,000	8,555	(11,445)
<u>Total Fines and Forfeits</u>	<u>20,000</u>	<u>20,000</u>	<u>8,555</u>	<u>(11,445)</u>
<u>Other Revenue</u>				
Interest Revenue	700	700	4,978	4,278
Grants	1,000	1,000	715	(285)
Animal Registrations/Vaccinations	275	275	111	(164)
Beautification Project	2,500	2,500	102	(2,398)
Miscellaneous	3,300	3,300	2,337	(963)
<u>Total Other Revenue</u>	<u>7,775</u>	<u>7,775</u>	<u>8,243</u>	<u>468</u>
<u>TOTAL REVENUES</u>	<u>220,639</u>	<u>220,639</u>	<u>239,678</u>	<u>19,039</u>

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

TOWN OF BLANCA, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>EXPENDITURES</u>				
<u>General Government</u>				
Salaries	24,175	24,175	25,444	(1,269)
Employee Benefits and Payroll Taxes	5,150	5,150	7,583	(2,433)
Utilities	3,050	3,050	2,451	599
Supplies	500	500	965	(465)
Professional Services	8,500	8,500	11,675	(3,175)
Dues and Subscriptions	1,550	1,550	1,667	(117)
Insurance	3,003	3,003	2,630	373
Code	1,000	1,000	847	153
Treasurer's Fees	1,300	1,300	1,122	178
Equipment	700	700	-	700
Capital Assets	-	-	-	-
Other	2,650	2,650	2,525	125
Debt Service:				
Principal	-	-	-	-
Other	-	-	-	-
<u>Total General Government</u>	<u>51,578</u>	<u>51,578</u>	<u>56,909</u>	<u>(5,331)</u>
<u>Public Safety</u>				
Salaries	64,375	64,375	51,215	13,160
Employee Benefits and Payroll Taxes	18,650	18,650	15,358	3,292
Purchased Services	8,450	8,450	7,146	1,304
Insurance	5,858	5,858	3,916	1,942
Utilities	2,050	2,050	1,793	257
Operating Supplies	1,000	1,000	2,294	(1,294)
Vehicle Fuel and Maintenance	8,000	8,000	5,528	2,472
Other Police Costs	300	300	286	14
Court	-	-	-	-
Animal Control Expenses	350	350	-	350
Volunteer Fire Pension Contribution	3,675	3,675	-	3,675
Other Fire Costs	-	-	-	-
<u>Total Public Safety</u>	<u>112,708</u>	<u>112,708</u>	<u>87,536</u>	<u>25,172</u>

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

TOWN OF BLANCA, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>EXPENDITURES (Continued)</u>				
<u>Public Works</u>				
Salaries	20,900	20,900	20,465	435
Employee Benefits and Payroll Taxes	17,300	17,300	5,083	12,217
Utilities	11,500	11,500	6,044	5,456
Operating Supplies	-	-	181	(181)
Repairs and Maintenance	4,500	4,500	3,883	617
Road Maintenance and Improvements	5,000	5,000	-	5,000
Supplies	-	-	-	-
Insurance	3,046	3,046	2,827	219
Fuel and Oil	5,500	5,500	3,039	2,461
Park Improvement and Maintenance	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<u>Total Public Works</u>	<u>167,746</u>	<u>167,746</u>	<u>41,522</u>	<u>126,224</u>
<u>TOTAL EXPENDITURES</u>	<u>332,032</u>	<u>332,032</u>	<u>185,967</u>	<u>146,065</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	25,000	25,000	-	(25,000)
Sale of Assets	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>32,500</u>	<u>32,500</u>	<u>-</u>	<u>(32,500)</u>
<u>NET CHANGE IN FUND BALANCE</u>	(78,893)	(78,893)	53,711	
<u>FUND BALANCE, Beginning</u>	<u>359,043</u>	<u>359,043</u>	<u>379,992</u>	
<u>FUND BALANCE, Ending</u>	<u>280,150</u>	<u>280,150</u>	<u>433,703</u>	

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

TOWN OF BLANCA, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUE</u>				
State Lottery	2,000	2,000	2,000	-
Interest Revenue	<u>200</u>	<u>200</u>	<u>782</u>	<u>582</u>
<u>Total Revenue</u>	<u>2,200</u>	<u>2,200</u>	<u>2,782</u>	<u>582</u>
<u>EXPENDITURES</u>				
Parks and Recreation	<u>25,700</u>	<u>25,700</u>	-	<u>25,700</u>
<u>Total Expenditures</u>	<u>25,700</u>	<u>25,700</u>	-	<u>25,700</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(23,500)	(23,500)	2,782	
<u>FUND BALANCE, Beginning</u>	<u>35,847</u>	<u>35,847</u>	<u>36,064</u>	
<u>FUND BALANCE, Ending</u>	<u>12,347</u>	<u>12,347</u>	<u>38,846</u>	

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

TOWN OF BLANCA, COLORADO
 CEMETERY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUE</u>				
Local Sources	100	100	-	(100)
Interest Revenue	<u>25</u>	<u>25</u>	<u>5</u>	<u>(20)</u>
<u>Total Revenue</u>	<u>125</u>	<u>125</u>	<u>5</u>	<u>(120)</u>
<u>EXPENDITURES</u>				
Cemetery Improvements	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	125	125	5	
<u>FUND BALANCE, Beginning</u>	<u>4,632</u>	<u>4,632</u>	<u>4,633</u>	
<u>FUND BALANCE, Ending</u>	<u>4,757</u>	<u>4,757</u>	<u>4,638</u>	

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

PENSION TREND DATA

TOWN OF BLANCA, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION ASSET OF THE STATEWIDE DEFINED BENEFIT PLAN –
A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ADMINISTERED BY
THE FIRE & POLICE PENSION ASSOCIATION
AS OF DECEMBER 31, 2018*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension asset	.006753%	.007193%	.007073%	.008038%
Town's proportionate share of the net pension asset/(liability)	\$9,715	\$(2,599)	\$125	\$9,071
Town's covered-employee payroll	\$40,907	\$38,562	\$36,862	\$35,788
Town's proportionate share of the net pension asset/liability as a percentage of its covered employee payroll	23.75%	6.74%	0.34%	25.35%
Plan fiduciary net position as a percentage of the total pension asset/liability	106.30%	98.21%	100.10%	106.80%

* The amounts presented for the year shown above were determined as of and for the calendar year ended December 31, 2017 (the Plan's measurement period) occurring within the Town's fiscal years ended December 31, 2018 in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

TOWN OF BLANCA, COLORADO
 SCHEDULE OF TOWN CONTRIBUTIONS TO THE STATEWIDE DEFINED BENEFIT PLAN –
 A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ADMINISTERED BY
 THE FIRE & POLICE PENSION ASSOCIATION
 As of DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,272	\$ 3,085	\$ 2,949	\$ 2,863
Contributions in relation to the contractually required contribution	\$ <u>(3,272)</u>	\$ <u>(3,085)</u>	\$ <u>(2,949)</u>	\$ <u>(2,863)</u>
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____
Town's covered-employee payroll	\$40,907	\$38,562	\$36,862	\$35,788
Contributions as a percentage of covered-employee payroll	8%	8%	8%	8%

TOWN OF BLANCA, COLORADO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
AND RELATED RATIOS MULTI-YEAR
Last 10 Fiscal Years (As Available)
For the year ended December 31, 2018

Measurement period ending December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	-	538	538	684
Interest on the Total Pension Liability	9,336	10,772	10,947	5,417
Benefit Changes	-	-	-	50,566
Difference Between Expected and Actual Experience	-	(21,468)	-	29,380
Assumption Changes	-	6,191	-	-
Benefit Payments	<u>(14,910)</u>	<u>(14,910)</u>	<u>(12,780)</u>	<u>(11,715)</u>
Net Change in Total Pension Liability	<u>(5,574)</u>	<u>(18,887)</u>	<u>(1,295)</u>	<u>74,332</u>
Total Pension Liability – Beginning	<u>131,802</u>	<u>150,679</u>	<u>151,974</u>	<u>77,642</u>
Total Pension Liability – Ending	<u>126,228</u>	<u>131,802</u>	<u>150,679</u>	<u>151,974</u>
Plan Fiduciary Net Position				
Employer Contributions	3,959	4,175	4,382	4,529
Pension Plan Net Investment Income	20,399	7,496	2,772	9,911
Benefit Payments	(14,910)	(14,910)	(12,780)	(11,715)
Pension Plan Administrative Expense	(3,067)	(503)	(2,563)	(611)
State of Colorado Supplemental Discretionary Payment	<u>-</u>	<u>2,191</u>	<u>2,269</u>	<u>1,902</u>
Net Change in Plan Fiduciary Net Position	6,381	(1,551)	(5,920)	4,016
Plan Fiduciary Net Position – Beginning	<u>146,592</u>	<u>148,143</u>	<u>154,063</u>	<u>150,047</u>
Plan Fiduciary Net Position – Ending	<u>152,973</u>	<u>146,592</u>	<u>148,143</u>	<u>154,063</u>
Net Pension Liability/(Asset) – Ending	(26,745)	(14,790)	2,536	(2,089)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	121.19%	111.22%	98.32%	101.37%
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

TOWN OF BLANCA, COLORADO
 VOLUNTEER SCHEDULE OF CONTRIBUTIONS MULTI-YEAR
 LAST 10 YEARS
 For the Year Ended DECEMBER 31, 2018

<u>FY Ended 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>
2018	-	2,000	(2,000)	N/A	N/A
2017	-	3,989	(3,989)	N/A	N/A
2016	-	6,366	(6,366)	N/A	N/A
2015	-	6,431	(6,431)	N/A	N/A
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

INDIVIDUAL FUND SCHEDULES AND OTHER SCHEDULES

ENTERPRISE FUND – BUDGET SCHEDULE

TOWN OF BLANCA, COLORADO
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>REVENUES</u>				
Charges for Services	138,360	138,360	149,509	11,149
Interest	500	500	4,288	3,788
<u>Total Revenues</u>	<u>138,860</u>	<u>138,860</u>	<u>153,797</u>	<u>14,937</u>
<u>EXPENSES</u>				
Salaries	57,190	57,190	46,300	10,890
Employee Benefits and Payroll Taxes	13,500	13,500	11,502	1,998
Professional Services	8,500	8,500	8,675	(175)
Dump Fees	11,000	11,000	10,399	601
Fuel and Oil	3,500	3,500	2,380	1,120
Insurance	4,318	4,318	3,915	403
Other	4,300	4,300	1,235	3,065
Repairs and Maintenance	3,000	3,000	1,602	1,398
Operating Supplies	5,700	5,700	5,385	315
Utilities	10,650	10,650	9,267	1,383
Printing and Postage	1,300	1,300	934	366
Capital Improvement	-	-	-	-
Debt Service	10,655	10,655	10,652	3
Contingency	1,000	1,000	-	1,000
<u>Total Expenses</u>	<u>134,613</u>	<u>134,613</u>	<u>112,246</u>	<u>22,367</u>
<u>NET INCOME (LOSS)</u>	<u>4,247</u>	<u>4,247</u>	<u>41,551</u>	
<u>NET POSITION, Beginning</u>	<u>266,851</u>	<u>266,851</u>	<u>796,610</u>	
<u>BUDGETARY BASIS – NET POSITION</u>	<u>271,098</u>	<u>271,098</u>	838,161	
<u>BUDGETARY ITEMS AFFECTING NET POSITION</u>				
Principal on Debt			10,652	
Capital Outlay			-	
Depreciation			(35,746)	
<u>NET POSITION, Ending</u>			<u>813,067</u>	

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

OTHER SCHEDULES

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Blanca
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _ Town of Blanca	Prepared By: Phone:	Rayna Sanchez 719-379-3461

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	30,894
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	772
3. Other local imposts (from page 2)	35,961	c. Other	5,767
4. Miscellaneous local receipts (from page 2)	7,700	d. Total (a. through c.)	6,540
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	69,729
a. Bonds - Original Issues		6. Total (1 through 5)	107,163
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	43,661	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	63,502	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	107,163	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	107,163

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		107,163	107,163		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2018

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	7,700
1. Sales Taxes	31,929	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	4,032	g. Other Misc. Receipts	
6. Total (1. through 5.)	35,961	h. Other	
c. Total (a. + b.)	35,961	i. Total (a. through h.)	7,700
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	61,620	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,882	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,882	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	63,502	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: