

cPa DIXON, WALLER & CO., INC.

CITY OF LAS ANIMAS, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2018

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

CITY OF LAS ANIMAS, COLORADO
FINANCIAL STATEMENTS
December 31, 2018

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis	i-x
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities.....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position...	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8
Statement of Net Position – Proprietary Funds	9-10
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.	11
Statement of Cash Flows – Proprietary Funds	12
Notes to Basic Financial Statements	13-53

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISONS:

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

General Fund 54-57

Pension Trend Data:

Old Hire Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
Multiyear – Last 10 Years (to be built prospectively)..... 58

Old Hire Schedule of Contributions Multiyear – Last 10 Years (to be built prospectively)..... 59

Schedule of Proportionate Share of Net Pension Liability 60

Schedule of City Contributions- Pension 61

Other Post Employment Benefits (OPEB) Trend Data:

Schedule of Proportionate Share of Net OPEB Liability..... 62

Schedule of City Contributions- OPEB 63

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:

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

Infrastructure and Improvement Fund..... 64

1% Street Improvement Fund..... 65

Combining Balance Sheet – Nonmajor Governmental Funds..... 66

Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds..... 67

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

Conservation Trust Fund 68

Parks and Recreation Fund..... 69

Sales Tax Development Fund..... 70

Safe Route to School Fund..... 71

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

Water Fund 72

Sewer Fund 73

Sanitation Fund..... 74

Light and Power Fund 75

OTHER SCHEDULES:

Local Highway Finance Report 76-80

CITY OF LAS ANIMAS, COLORADO
ROSTER OF OFFICIALS
December 31, 2018

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

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Las Animas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Las Animas, as of December 31, 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 and other post employment benefits trend data on pages i through x and 54 through 57 and 58 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Las Animas' basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



June 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Las Animas Colorado
Management's Discussion and Analysis

For the December 31, 2018 financial statements, the City has implemented a major reporting format in 2004 in compliance with the Governmental Accounting Standards Board Statement Number 34 (GASB 34). It was a significant change in governmental financial reporting. This change brought about several new financial statements and this narrative titled Management's Discussion and Analysis.

This discussion and analysis of the City of Las Animas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the additional information that we have furnished in our letter of transmittal, and the City's financial statements beginning on page 3.

Statements included are:

- Statement of Net Position-a statement that combines the financial position as of December 31, 2018 for all funds on a government-wide basis.
- Statement of Activities-a statement that combines the changes in financial position for the year ended December 31, 2018 for all funds on a government-wide basis.
- Statements for Governmental funds-these present the governmental funds such as the general fund, parks and recreation fund, special revenue funds, capital project fund and other funds.
- Statements for Business-type funds-these present proprietary funds, such as the City's Electric, Water, Sewer and Sanitation utility funds.

FINANCIAL HIGHLIGHTS

- The City of Las Animas General Fund is experiencing an increasing fund balance.
- The assets of the City of Las Animas exceed its liabilities at the close of 2018 by \$13,577,075 (net position). Of this amount, \$1,443,277 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$859,624, a 5% increase over the prior year net position. Sales Tax revenue was more than the budgeted amount by \$4,622.
- At the end of 2018, the City's governmental funds reported combined ending fund balances of \$718,010 an increase of \$51,590 in comparison with the end of 2017.
- At the end of 2018, the unreserved and unrestricted fund balances for the general fund was \$376,604 which is 29% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements-Governmental Wide Financial Statements

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

Combined And Individual Fund Statements and Other Schedules

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

Governmental Funds

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

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

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

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

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

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

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

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

Proprietary Funds

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

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

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

The notes to the financial statements can be found on pages 13-53 of this report.

As noted earlier, net assets may serve as a useful indicator of the City's financial position. In the case of the City of Las Animas, assets exceed liabilities by \$13,577,075 at the close of **2018**.

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

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

City of Las Animas Condensed Statement of Net Position December 31, 2018 and 2017

	2018	Governmental		Enterprises		Total
		2017	2018	2017	2018	
Current assets	1,153,344	1,097,155	4,458,935	4,520,455	5,612,279	5,617,610
Prop, Plant, Equip	1,731,998	1,775,668	11,706,646	11,094,793	13,438,644	12,870,461
Fixed assets (Net)						
Total Assets	2,885,342	2,872,823	16,165,581	15,615,248	19,050,923	18,488,071
Deferred Outflows	154,188	126,527	395,912	381,710	550,100	508,237
Current Liabilities	10,121	30,614	336,692	528,742	346,813	559,356
Other Liabilities	778,429	905,611	3,942,115	4,228,246	4,720,544	5,133,857
Total Liabilities	788,550	936,225	4,278,807	4,756,988	5,067,357	5,693,213
Deferred Inflows	493,488	348,459	463,103	5,462	956,591	353,921
Net Position:						
Inv in cap assets, Net of Related Debt	1,731,998	1,775,668	9,911,090	9,124,521	11,643,088	10,900,189
Restricted for:						
Customer Dep	-	-	49,858	-	49,858	-
Debt Retire	-	-	62,333	64,960	62,333	64,960
Asset Retire	-	-	46,368	46,368	46,368	46,368
Capital Imp	222,369	185,458	-	-	222,369	185,458
Park & Recreation	14,018	15,790	-	-	14,018	15,790
Economic Develop	51,164	43,913	-	-	51,164	43,913
Tabor Reserve	44,600	41,050	-	-	44,600	41,050
Unrestricted	(306,657)	(347,213)	1,749,934	1,998,659	1,443,277	1,651,446
Total Net Position	1,757,492	1,714,666	11,819,583	11,234,508	13,577,075	12,949,174

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

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

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

Changes in net position

The City's total revenues of \$8,436,049 were over the program expenses of \$7,580,344 for an increase in net position of \$855,705.

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

	Governmental		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
Charges for Services	163,744	116,997	5,971,605	5,774,229	6,135,349	5,891,226
Operating Grants	123,796	104,331	-	-	123,796	104,331
Capital Grants and Cont.	-	-	821,747	709,551	821,747	709,551
General Revenues:						
Property Taxes	344,184	322,604	-	-	344,184	322,604
Other Taxes	785,191	751,311	-	-	785,191	751,311
Intergovern Not Rest.	13,912	40,280	-	-	13,912	40,280
Other Revenue	165,369	40,251	23,197	40,016	188,566	80,267
Investment Earnings	3,448	2,439	19,856	13,982	23,304	16,421
Total Revenues	1,599,644	1,378,213	6,836,405	6,537,778	8,436,049	7,915,991
Expenses:						
General Government	371,766	342,014	-	-	371,766	342,014
Public Safety	383,638	384,282	-	-	383,638	384,282
Public Works	342,093	316,108	-	-	342,093	316,108
Culture & Recreation	152,365	147,685	-	-	152,365	147,685
Community Services	92,665	75,372	-	-	92,665	75,372
Pension Amort Exp	36,643	109,502	-	-	36,643	109,502
Utilities	-	-	6,201,174	6,327,723	6,201,174	6,327,723
Total Expense	1,379,170	1,374,963	6,201,174	6,327,723	7,580,344	7,702,686
Increase (Decrease) in Net Position						
Before Transfers	-	-	(56,744)	(56,438)	(56,744)	(56,438)
Transfers	(139,844)	(133,535)	139,844	133,535	-0-	-0-
Change in Net Position	80,630	(130,285)	718,331	287,152	798,961	156,867
Net Position-Jan 1	1,676,862	1,844,951	11,101,252	10,947,356	12,778,114	12,792,307
Net Position-Dec 31	1,757,492	1,714,666	11,819,583	11,234,508	13,577,075	12,949,174

General Fund Budgetary Highlights-Overall revenue in the General Fund was \$28,094.00 under the original budget. Sales and other use tax is the main revenue source for the General Fund. While some revenue sources were higher than budgeted, others were under budget such as:

- There was an increase of \$4,622 to the sales tax collected due an improved economy in Las Animas.
- The Light & Power franchise was \$956 less due to decreased use of electricity by consumers.
- The cable TV Franchise was zero due to the business closing of Horizon Broadband in Las Animas and the Kinder Morgan Gas Franchise was also down \$2,102 due to a mild winter.
- The Police Department has ceased operation as of March 2013. The Sheriff's office is now in charge of public safety. The City of Las Animas pays a monthly fee to the Sheriff's office for this service.
- Court and traffic fines were down \$6,051 due to the less tickets being issued.
- No equipment was sold in 2018.
- Interest collection was down \$1,363 due to lower fund balances.
- License & Permits increased due to more home improvement projects by \$1,332.
- There was no severance tax collected for 2018.

The General Fund balance is \$421,204. This figure includes emergency and contingency reserve. The department heads are diligent to review their budgets and do not purchase any items that are not needed.

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

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

The City's Enterprise Funds, (Electric, Water, Sewer and Sanitation) charge monthly users fees and this accounts for the bulk of the revenues. The expense budget for the Sewer Fund was \$5,094,979 and the actual spent was \$1,315,777. The expense budget for the electric was \$4,155,632 and the actual spent was \$4,101,595. The expense budget for the Water Fund was \$5,006,223 and the actual spent was \$741,063. The expense budget for the Sanitation Fund was \$1,090,368 and the actual spent was \$647,641.

Electric, Water, Sewer and Sanitation Analysis

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

CAPITAL ASSETS

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land (Not Depreciated)	239,598	239,598	170,821	173,821	410,419	413,419
Preliminary Survey	-	-	157,096	-	157,096	-
<u>Capital Assets (Depreciated)</u>						
Buildings & Systems	1,101,963	1,101,963	21,591,561	19,900,436	22,693,524	21,002,399
Vehicles	192,943	192,943	-	-	192,943	192,943
Equipment	632,116	632,116	3,857,945	3,808,413	4,490,061	4,440,529
Infrastructure	1,932,082	1,809,065	-	-	1,932,082	1,809,065
Construction in progress	-	-	-	631,654	-	631,654
<u>Total Capital Assets</u>	<u>3,859,104</u>	<u>3,736,087</u>	<u>25,449,506</u>	<u>24,340,503</u>	<u>29,308,610</u>	<u>28,076,590</u>
<u>Depreciated</u>						
<u>Less Accumulated Depreciation for:</u>						
Buildings & Systems	718,431	650,064	-	-	718,431	650,064
Utility System	-	-	14,070,775	13,419,530	14,070,775	13,419,530
Vehicles	192,943	192,942	-	-	192,943	192,942
Equipment	623,758	622,042	-	-	623,758	622,042
Infrastructure	831,572	734,969	-	-	831,572	734,969
<u>Total Accumulated</u>						
Depreciation	2,366,704	2,200,017	14,070,775	13,419,530	16,437,479	15,619,547

As of the end of 2018, the City of Las Animas Governmental Activities and Business-Type Activities has invested \$29,876,125 in a broad range of capital assets.

Beginning in 2017, general infrastructure assets are depreciated. Total depreciation expense for the Governmental Activities is \$166,687 and the total depreciation for the Business Type Activities is \$651,245. The City of Las Animas depreciates capital assets, except land and water rights, using the straight-line depreciation method and a predetermined useful life of the asset. Infrastructure includes only roads added to inventory during 2018.

LONG-TERM DEBT

	Governmental		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
<u>Long-Term Debt</u>						
<u>Governmental Activities:</u>						
Lease Purchase Agreement	-	4,056	-	-	-	4,056
Land Reclamation Costs	16,000	16,000	-	-	16,000	16,000
Compensated Absences	20,263	17,571	-	-	20,263	17,571
<u>Business-Type Activities:</u>						
Bonds Payable	-	-	753,700	781,100	753,700	781,100
807,300						
Notes Payable	-	-	1,041,855	1,189,171	1,041,855	1,189,171
Compensated Absences	-	-	145,080	133,968	145,080	133,968
Landfill Post closure	-	-	232,198	150,895	232,198	150,895
Total	36,263	33,571	2,172,833	2,255,134	2,209,096	2,288,705

Sewer Fund

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

Total remaining principal is \$213,032.

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

Total remaining principal is \$188,500.

Colorado Water Resources Power Development requires that the Sewer Loan Agreements require that the City maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. The City has an amount in excess of \$336,959 toward the required reserve for the sewer fund and an amount in excess of \$58,359 for the rate covenant.

Water Fund

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

Total remaining principal is \$432,800.

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

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

Total remaining principal is \$320,900.

The required reserve for the USDA-Rural Development water loan is \$62,333.

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

Total remaining principal is \$541,333.

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

Total remaining principal is \$98,990.

Sanitation Fund

The estimate of cost for final closure and post closure care of the Landfill is \$232,198. The City expects to close the landfill in the year 2034.

Defined Benefit Pension Plan-Policemen

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

The total ending balance, Dec. 31, 2017, of the "old hire" pension plan was \$291,979.00.

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

The City of Las Animas Police department ceased operations in March of 2012. There were no new hires paid in 2018. Currently there are no full time police officers as the City of Las Animas contracts with the Bent County Sheriff's Office for public safety.

Defined Benefit Plan-PERA

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

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

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

Intergovernmental Agreement

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Assessed valuation used for the 2018 budget preparation is \$8,815,010. There is a general agreement among practitioners that the most restrictive of the two revenue limits ("5.5% or TABOR must be respected, disallowing the levying of the greater amount of revenue which would be allowed under the other limit). The City's mill levy will remain at 39 mills for the 2018 budget.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and Cash Equivalents	606,738	3,626,188	4,232,926
Receivables (Net, where Applicable, of Allowance for Uncollectibles):			
Accounts & Assessments	197,066	483,739	680,805
Accrued Revenue	-	50,867	50,867
Property Tax	349,315	-	349,315
Accrued Interest	225	-	225
Other	-	3,782	3,782
Inventories	-	283,584	283,584
Prepaid Expense	-	10,775	10,775
Fixed Assets (Net)	<u>1,731,998</u>	<u>11,706,646</u>	<u>13,438,644</u>
<u>Total Assets</u>	<u>2,885,342</u>	<u>16,165,581</u>	<u>19,050,923</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension	151,301	385,730	537,031
Other Post Employment Benefits	<u>2,887</u>	<u>10,182</u>	<u>13,069</u>
<u>Total Deferred Outflow of Resources</u>	<u>154,188</u>	<u>395,912</u>	<u>550,100</u>
LIABILITIES			
Accounts Payable	10,121	336,692	346,813
Due to Other Funds	-	-	-
Customer Deposits Payable	-	49,858	49,858
Accrued Interest Payable	-	3,743	3,743
Noncurrent Liabilities:			
Due Within One Year	-	96,683	96,683
Due in More Than One Year	16,000	1,698,873	1,714,873
Compensated Absences Payable	20,263	145,080	165,343
Net Pension Liability	701,305	1,571,648	2,272,953
Net OPEB Liability	40,861	144,032	184,893
Landfill Closure and Post-Closure Cost	-	232,198	232,198
<u>Total Liabilities</u>	<u>788,550</u>	<u>4,278,807</u>	<u>5,067,357</u>
DEFERRED INFLOW OF RESOURCES			
Property Tax	349,315	-	349,315
Pensions	143,490	460,693	604,183
Other Post Employment Benefits	683	2,410	3,093
<u>Total Deferred Inflow of Resources</u>	<u>493,488</u>	<u>463,103</u>	<u>956,591</u>
NET POSITION			
Net Investment in Capital Assets	1,731,998	9,911,090	11,643,088
Restricted for:			
Customer Deposits	-	49,858	49,858
Asset Retirement	-	46,368	46,368
Debt Service	-	62,333	62,333
Capital Improvements	222,369	-	222,369
Parks and Recreation	14,018	-	14,018
Economic Development	51,164	-	51,164
Tabor Reserve	44,600	-	44,600
Unrestricted	<u>(306,657)</u>	<u>1,749,934</u>	<u>1,443,277</u>
TOTAL NET POSITION	<u>1,757,492</u>	<u>11,819,583</u>	<u>13,577,075</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<u>FUNCTIONS/PROGRAMS</u>						
<u>Governmental Activities</u>						
General Government	371,766	-	-	(224,249)	-	(224,249)
Public Safety	383,638	-	-	(379,689)	-	(379,689)
Public Works	342,093	101,682	-	(240,411)	-	(240,411)
Culture & Recreation	152,365	22,114	-	(117,973)	-	(117,973)
Community Services	92,665	-	-	(92,665)	-	(92,665)
Pension and OPEB Expense	36,643	-	-	(36,643)	-	(36,643)
Total Governmental Activities	<u>1,379,170</u>	<u>123,796</u>	<u>-</u>	<u>(1,091,630)</u>	<u>-</u>	<u>(1,091,630)</u>
<u>BUSINESS TYPE ACTIVITIES</u>						
Water	916,727	-	14,400	-	(99,721)	(99,721)
Sewer	554,729	-	807,347	-	732,713	732,713
Sanitation	628,123	-	-	-	(69,480)	(69,480)
Power and Light	4,101,595	-	-	-	28,666	28,666
Total Business Type Activities	<u>6,201,174</u>	<u>-</u>	<u>821,747</u>	<u>-</u>	<u>592,178</u>	<u>592,178</u>
Total Primary Government	<u>7,580,344</u>	<u>123,796</u>	<u>821,747</u>	<u>(1,091,630)</u>	<u>592,178</u>	<u>(499,452)</u>
<u>General Revenues:</u>						
Local Property Taxes				344,184	-	344,184
Specific Ownership Taxes				37,749	-	37,749
Sales and Use Taxes				604,610	-	604,610
Franchise Taxes				142,832	-	142,832
Intergovernmental Not Specifically Restricted				13,912	-	13,912
Interest Revenues				3,448	19,856	23,304
Excess Health Insurance Contributions				65,870	-	65,870
Pension Revenues				89,521	-	89,521
Other Revenues				9,978	23,197	33,175
Transfers In (Out)				(139,844)	139,844	-
Total General Revenues and Transfers				<u>1,172,260</u>	<u>182,897</u>	<u>1,355,157</u>
Changes in Net Position				<u>80,630</u>	<u>775,075</u>	<u>855,705</u>
Net Position – Beginning (as Restated)				<u>1,676,862</u>	<u>11,101,252</u>	<u>12,778,114</u>
Prior Year Adjustment				<u>-</u>	<u>(56,744)</u>	<u>(56,744)</u>
Net Position – Ending				<u>1,757,492</u>	<u>11,819,583</u>	<u>13,577,075</u>

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

CITY OF LAS ANIMAS, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	<u>Capital Projects Funds</u>				Total Governmental Funds
	<u>General Fund</u>	<u>1% Street Improvement Fund</u>	<u>Infrastructure and Improvement Fund</u>	<u>Other Governmental Funds</u>	
ASSETS:					
Cash and Cash Equivalents	382,536	76,860	88,317	59,025	606,738
Receivables (Net, of Allowance where Applicable):					
Accounts, Grants, Notes	48,564	28,595	28,594	15,415	121,168
Property Tax	349,315	-	-	-	349,315
Accrued Interest	225	-	-	-	225
Due From Other Funds	-	-	-	-	-
Other Assets	-	-	-	-	-
<u>Total Assets</u>	<u>780,640</u>	<u>105,455</u>	<u>116,911</u>	<u>74,440</u>	<u>1,077,446</u>
LIABILITIES:					
Accounts Payable	10,121	-	-	-	10,121
Due To Other Funds	-	-	-	-	-
Other Payables	-	-	-	-	-
<u>Total Liabilities</u>	<u>10,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,121</u>
DEFERRED INFLOW OF RESOURCES					
Property Tax	349,315	-	-	-	349,315
FUND BALANCES:					
Restricted for:					
Emergencies	44,600	-	-	-	44,600
Parks and Recreation	-	-	-	14,018	14,018
Capital Improvement	-	105,455	116,911	3	222,369
Economic Development	-	-	-	51,164	51,164
Committed for:					
Employee Health Insurance	127,302	-	-	-	127,302
Assigned for:					
Revolving Loan	167,815	-	-	-	167,815
Parks and Recreation	-	-	-	9,255	9,255
Unassigned	81,487	-	-	-	81,487
<u>Total Fund Balances</u>	<u>421,204</u>	<u>105,455</u>	<u>116,911</u>	<u>74,440</u>	<u>718,010</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>	<u>780,640</u>	<u>105,455</u>	<u>116,911</u>	<u>74,440</u>	<u>1,077,446</u>

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

CITY OF LAS ANIMAS, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	718,010
Revolving Loan Receivables which do not provide current financial resources are not reported on the governmental fund financial statements but recognized on the government-wide financial statements, net of applicable allowance for uncollectibles.	75,898
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,098,702 and the accumulated depreciation is \$2,366,704.	1,731,998
Long-term liabilities, including leases, compensated absences and net interest payable are not due and payable in the current period and therefore are not reported in the funds.	
Reclamation Payable	(16,000)
Compensated Absences	(20,263)
	(36,263)
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.	<u>(732,151)</u>
<u>Total Net Position – Governmental Activities</u>	<u>1,757,492</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	<u>Capital Projects Funds</u>				Total Governmental Funds
	<u>General Fund</u>	<u>1% Street Improvement Fund</u>	<u>Infrastructure and Improvement Fund</u>	<u>Other Governmental Funds</u>	
REVENUES:					
Taxes	564,142	173,484	173,484	88,020	999,130
Licenses and Permits	8,332	-	-	-	8,332
Intergovernmental Revenue	103,007	-	-	22,114	125,121
Franchise Fees	142,832	-	-	-	142,832
Charges for Services	116,661	-	-	12,278	128,939
Interest Revenue	2,637	271	285	255	3,448
Fines and Forfeits	3,949	-	-	-	3,949
Excess Health Insurance Contributions	65,870	-	-	-	65,870
Miscellaneous Revenues	5,306	218	-	4,454	9,978
<u>Total Revenues</u>	<u>1,012,736</u>	<u>173,973</u>	<u>173,769</u>	<u>127,121</u>	<u>1,487,599</u>
EXPENDITURES:					
General Government	367,590	-	-	-	367,590
Public Safety	383,638	-	-	-	383,638
Public Works	210,069	157,701	-	-	367,770
Culture and Recreation	-	-	-	84,502	84,502
Community Services	-	-	-	71,393	71,393
Debt Service	-	-	-	-	-
Revolving Loan	21,272	-	-	-	21,272
<u>Total Expenditures</u>	<u>982,569</u>	<u>157,701</u>	<u>-</u>	<u>155,895</u>	<u>1,296,165</u>
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	<u>30,167</u>	<u>16,272</u>	<u>173,769</u>	<u>(28,774)</u>	<u>191,434</u>
OTHER FINANCING SOURCES (USES):					
Lease Purchase Proceeds	-	-	-	-	-
Operating Transfers In (Out)	(19,611)	-	(153,130)	32,897	(139,844)
<u>Total Other Financing Sources (Uses)</u>	<u>(19,611)</u>	<u>-</u>	<u>(153,130)</u>	<u>32,897</u>	<u>(139,844)</u>
<u>NET CHANGES IN FUND BALANCES</u>	<u>10,556</u>	<u>16,272</u>	<u>20,639</u>	<u>4,123</u>	<u>51,590</u>
<u>FUND BALANCES – Beginning</u>	<u>410,648</u>	<u>89,183</u>	<u>96,272</u>	<u>70,317</u>	<u>666,420</u>
<u>FUND BALANCES – Ending</u>	<u>421,204</u>	<u>105,455</u>	<u>116,911</u>	<u>74,440</u>	<u>718,010</u>

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

CITY OF LAS ANIMAS, COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2018

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	51,590
Revolving loan revenues that do not provide current financial resources are not reported on the governmental fund financial statements but recognized on the government-wide financial statements.	22,524
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay and depreciation in the current period.	
Capital outlays more than \$2,000	123,017
Depreciation expense	(166,687)
	(43,670)
Compensated absences are reported as an expense in the statement of activities. However, governmental funds do not report compensated absences as an expenditure until they are paid.	(2,692)
Payment for pension benefits are recorded as an expenditure in the governmental funds but are recorded as expenses on an accrual basis in the entity-wide statements based on the changes in the net pension asset/liability:	
Pension Revenue	89,521
Pension Expense	(36,643)
	52,878
<u>Change in Net Position of Governmental Activities</u>	<u>80,630</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business Type Activities – Enterprise Funds				Total
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	
ASSETS					
Current Assets					
Cash and Cash Equivalents	2,472,889	592,751	417,279	143,269	3,626,188
Receivables:					
Accounts (Net of Allowance for Uncollectibles)	314,617	63,613	46,168	59,341	483,739
Accrued Revenue	-	-	50,867	-	50,867
Notes	-	3,317	465	-	3,782
Interest	-	-	-	-	-
Inventories	206,501	48,552	28,531	-	283,584
Prepaid Expense	10,775	-	-	-	10,775
Due From Other Funds	-	-	-	-	-
<u>Total Current Assets</u>	<u>3,004,782</u>	<u>708,233</u>	<u>543,310</u>	<u>202,610</u>	<u>4,458,935</u>
Property, Plant and Equipment					
Construction in Progress	-	-	-	-	-
Primary Survey	-	157,096	-	-	157,096
Land and Water Rights	17,055	130,911	2,150	20,705	170,821
Buildings & Improvements	389,046	3,173,183	8,292	-	3,570,521
Utility System	2,881,122	6,873,627	7,913,628	352,662	18,021,039
Equipment	2,555,688	237,141	82,355	982,760	3,857,944
	5,842,911	10,571,958	8,006,425	1,356,127	25,777,421
Less Accumulated Depreciation	(4,643,496)	(5,370,884)	(3,293,574)	(762,821)	(14,070,775)
Net Property, Plant & Equipment	<u>1,199,415</u>	<u>5,201,074</u>	<u>4,712,851</u>	<u>593,306</u>	<u>11,706,646</u>
TOTAL ASSETS	<u>4,204,197</u>	<u>5,909,307</u>	<u>5,256,161</u>	<u>795,916</u>	<u>16,165,581</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension	214,643	91,077	48,763	31,247	385,730
Other Post Employment Benefits	5,678	2,313	1,076	1,115	10,182
<u>Total Deferred Outflow of Resources</u>	<u>220,321</u>	<u>93,390</u>	<u>49,839</u>	<u>32,362</u>	<u>395,912</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business Type Activities – Enterprise Funds				Totals
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	
LIABILITIES					
Current Liabilities					
Accounts Payable	248,846	17,979	58,270	11,597	336,692
Accrued Interest Payable	496	3,140	107	-	3,743
Due To Other Funds	-	-	-	-	-
Debt Payable - Current	-	55,667	41,016	-	96,683
Total Current Liabilities	249,342	76,786	99,393	11,597	437,118
Noncurrent Liabilities					
Accrued Vacation Payable	63,938	44,241	16,749	20,152	145,080
Meter Deposits Payable	22,610	18,438	5,412	3,398	49,858
Debt Payable – Noncurrent	-	1,239,366	459,507	-	1,698,873
Net Pension Liability	885,113	377,214	210,332	98,989	1,571,648
Net OPEB Liability	80,318	32,726	15,217	15,771	144,032
Landfill Postclosure Payable	-	-	-	232,198	232,198
Total Long-Term Liabilities	1,051,979	1,711,985	707,217	370,508	3,841,689
TOTAL LIABILITIES	1,301,321	1,788,771	806,610	382,105	4,278,807
DEFERRED INFLOW OF RESOURCES					
Pension	256,786	104,607	48,934	50,366	460,693
Other Post Employment Benefits	1,344	547	255	264	2,410
Total Deferred Inflow of Resources	258,130	105,154	49,189	50,630	463,103
NET POSITION					
Net Investment in Capital Assets	1,199,415	3,906,041	4,212,328	593,306	9,911,090
Restricted for Customer Deposits	22,610	18,438	5,412	3,398	49,858
Restricted for Debt Services	-	62,333	-	-	62,333
Restricted for Asset Retirement	46,368	-	-	-	46,368
Unrestricted (Deficit)	1,596,674	121,960	232,461	(201,161)	1,749,934
TOTAL NET POSITION	2,865,067	4,108,772	4,450,201	395,543	11,819,583

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018

	Business Type Activities – Enterprise Funds				Totals
	Light & Power Fund	Water Fund	Sewer Fund	Sanitation Fund	
<u>Operating Revenues</u>					
Charges for Services	4,094,039	759,143	480,095	543,727	5,877,004
Other	<u>36,222</u>	<u>43,463</u>	<u>-</u>	<u>14,916</u>	<u>94,601</u>
<u>Total Operating Revenues</u>	<u>4,130,261</u>	<u>802,606</u>	<u>480,095</u>	<u>558,643</u>	<u>5,971,605</u>
<u>Operating Expenses</u>					
Personal Services	748,991	312,666	148,735	144,166	1,354,558
Purchased Services	2,968,929	45,327	42,127	275,018	3,331,401
Supplies and Materials	138,430	75,769	19,904	-	234,103
Power & Utilities	-	135,046	74,394	-	209,440
Maintenance and Repair	25,401	34,412	25,426	55,006	140,245
Depreciation	102,019	242,653	220,145	86,428	651,245
Bad Debts	-	3,348	3,064	1,868	8,280
Landfill Post Closure Costs	-	-	-	28,289	28,289
Pension and OPEB Expense	62,960	24,058	11,185	11,592	109,795
Other	<u>54,865</u>	<u>8,512</u>	<u>7,631</u>	<u>25,740</u>	<u>96,748</u>
<u>Total Operating Expenses</u>	<u>4,101,595</u>	<u>881,791</u>	<u>552,611</u>	<u>628,107</u>	<u>6,164,104</u>
<u>Operating Income (Loss)</u>	<u>28,666</u>	<u>(79,185)</u>	<u>(72,516)</u>	<u>(69,464)</u>	<u>(192,499)</u>
<u>Non-Operating Revenues (Expenses)</u>					
Capital Grant/Loan Forgiveness	-	14,400	807,347	-	821,747
Interest Revenue	13,831	3,181	1,844	1,000	19,856
Other Revenue	161	19,703	3,333	-	23,197
Loss on Disposal of Fixed Assets	-	-	-	-	-
Interest Expense	<u>-</u>	<u>(34,936)</u>	<u>(2,118)</u>	<u>(16)</u>	<u>(37,070)</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>13,992</u>	<u>2,348</u>	<u>810,406</u>	<u>984</u>	<u>827,730</u>
<u>Income (Loss) Before Operating Transfers</u>	42,658	(76,837)	737,890	(68,480)	635,231
<u>Operating Transfers In (Out)(Net)</u>	<u>-</u>	<u>105,074</u>	<u>34,770</u>	<u>-</u>	<u>139,844</u>
<u>Change in Net Position</u>	42,658	28,237	772,660	(68,480)	775,075
<u>Total Net Position, Beginning</u>	2,822,409	4,080,535	3,677,541	520,767	11,101,252
<u>Prior Year Adjustment</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,744)</u>	<u>(56,744)</u>
<u>Total Net Position, Ending</u>	<u>2,865,067</u>	<u>4,108,772</u>	<u>4,450,201</u>	<u>395,543</u>	<u>11,819,583</u>

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

CITY OF LAS ANIMAS, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018

	Business Type Activities – Enterprise Funds				
	Power & Light Fund	Water Fund	Sewer Fund	Sanitation Fund	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from Customers & Users	4,133,519	802,861	482,333	545,391	5,964,104
Payments to Employees & Benefit Providers	(750,042)	(304,304)	(151,434)	(137,666)	(1,343,446)
Payments to Vendors – Supplies and Services	(3,173,036)	(277,478)	(355,554)	(363,166)	(4,169,234)
Net Cash Provided (Used) By Operations Activities	<u>210,441</u>	<u>221,079</u>	<u>(24,655)</u>	<u>44,559</u>	<u>451,424</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Customer Deposits	(1,700)	(624)	(164)	(150)	(2,638)
Interfund	-	9,694	-	-	9,694
Transfers – Other Funds	-	105,074	34,770	-	139,844
Other Revenue	161	19,703	3,333	-	23,197
Net Cash Provided (Used) – Non Capital Financing	<u>(1,539)</u>	<u>133,847</u>	<u>37,939</u>	<u>(150)</u>	<u>170,097</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Non-Financed Purchase of Property & Equipment	(49,531)	(246,667)	(860,944)	(105,956)	(1,263,098)
Net Proceeds from Sale of Assets	-	-	-	-	-
Capital Grants/Loan Forgiveness	-	14,400	1,000,931	-	1,015,331
Interest Paid on Debt	-	(35,065)	(2,718)	(16)	(37,799)
Principal Paid on Debt	-	(54,467)	(120,249)	-	(174,716)
Net Cash Provided (Used) Capital & Related Financing	<u>(49,531)</u>	<u>(321,799)</u>	<u>17,020</u>	<u>(105,972)</u>	<u>(460,282)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investments (Purchased)	-	-	-	-	-
Investments (Matured)	-	-	-	-	-
Interest Received	13,831	3,181	1,844	1,000	19,856
Net Cash Provided (Used) - Investing Activities	<u>13,831</u>	<u>3,181</u>	<u>1,844</u>	<u>1,000</u>	<u>19,856</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	173,202	36,308	32,148	(60,563)	181,095
CASH AND CASH EQUIVALENTS – Beginning	<u>2,299,687</u>	<u>556,443</u>	<u>385,131</u>	<u>203,832</u>	<u>3,445,093</u>
CASH AND CASH EQUIVALENTS – Ending	<u>2,472,889</u>	<u>592,751</u>	<u>417,279</u>	<u>143,269</u>	<u>3,626,188</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Operating Income (Loss)	28,666	(79,185)	(72,516)	(69,464)	(192,499)
Non Cash Items in Operations:					
Depreciation Expense	102,019	242,653	220,145	86,428	651,245
Pension Expense	62,960	24,058	11,185	11,592	109,795
(Increase) Decrease in Inventory	7,528	28,813	10,497	-	46,838
(Increase) Decrease Receivables/Accruals	3,258	255	2,238	(13,252)	(7,501)
Increase (Decrease) in Payables/Accruals	6,010	4,485	(196,204)	29,255	(156,454)
Net Cash Provided (Used) By Operations	<u>210,441</u>	<u>221,079</u>	<u>(24,655)</u>	<u>44,559</u>	<u>451,424</u>
<u>NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>					
Cash Paid for Income Tax	-	-	-	-	-
Cash Paid for Interest Expense	-	35,065	2,718	16	37,799
Property Acquired by Debt	-	-	-	-	-
Total NonCash Investing Capital & Financing Activities	<u>-</u>	<u>35,065</u>	<u>2,718</u>	<u>16</u>	<u>37,799</u>

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

- Related Organizations

The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City Council and Mayor appoint board members of the Las Animas Urban Renewal Authority and the Las Animas Housing Authority. In 2018 the City did not appropriate operating grants to the Urban Renewal Authority and the Housing Authority.

- Blended Component Unit

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government – Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

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

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

F. Encumbrances

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

G. Inventory

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

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

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

I. Property Taxes

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes (Continued)

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

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

J. Contraband

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

L. Deposits and Investments

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

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

M. Due To / From Funds

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

N. Long-Term Obligations

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Long-Term Obligations (Continued)

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

O. GASB Statement No. 54

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

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

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

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	General Fund	Safe Route to School Fund	Conservation Trust Fund	Parks and Recreation Fund	1% Street Improvement Fund	Sales Tax Development Fund	Infrastructure and Improvement Fund	Total Governmental Funds
<u>Nonspendable:</u>								
Prepaid Expenses	-	-	-	-	-	-	-	-
<u>Restricted:</u>								
Emergencies	44,600	-	-	-	-	-	-	44,600
Parks & Recreation	-	-	14,018	-	-	-	-	14,018
Capital Improvement	-	3	-	-	105,455	-	116,911	222,369
Econ. Development	-	-	-	-	-	51,164	-	51,164
<u>Committed:</u>								
Employee Health Ins.	127,302	-	-	-	-	-	-	127,302
<u>Assigned:</u>								
Revolving Loan	167,815	-	-	-	-	-	-	167,815
Parks & Recreation	-	-	-	9,255	-	-	-	9,255
<u>Unassigned</u>	<u>81,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,487</u>
<u>Total Fund Balances</u>	<u>421,204</u>	<u>3</u>	<u>14,018</u>	<u>9,255</u>	<u>105,455</u>	<u>51,164</u>	<u>116,911</u>	<u>718,010</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Deferred Outflows / Inflows of Resources

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

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

NOTE 2 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	239,598	-	-	239,598
Capital Assets Being Depreciated:				
Buildings & Improvements	1,101,963	-	-	1,101,963
Vehicles	192,943	-	-	192,943
Equipment	632,116	-	-	632,116
Infrastructure	1,809,065	123,017	-	1,932,082
Total Capital Assets Being Depreciated	<u>3,736,087</u>	<u>123,017</u>	-	<u>3,859,104</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	650,064	68,367	-	718,431
Vehicles	192,942	1	-	192,943
Equipment	622,042	1,716	-	623,758
Infrastructure	734,969	96,603	-	831,572
Total Accumulated Depreciation	<u>2,200,017</u>	<u>166,687</u>	-	<u>2,366,704</u>
Total Capital Assets Being Depreciated, Net	<u>1,536,070</u>	<u>(43,670)</u>	-	<u>1,492,400</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>1,775,668</u>	<u>(43,670)</u>	-	<u>1,731,998</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated:				
Land, Equity, Water Rights	173,821	-	3,000	170,821
Construction In Progress	631,654	-	631,654	-
Preliminary Survey	<u>144,574</u>	<u>12,522</u>	<u>-</u>	<u>157,096</u>
Total Capital Assets Not Being Depreciated	<u>950,049</u>	<u>12,522</u>	<u>634,654</u>	<u>327,917</u>
Capital Assets Being Depreciated:				
Buildings & Systems	19,755,862	1,835,699	-	21,591,561
Equipment	<u>3,808,413</u>	<u>49,532</u>	<u>-</u>	<u>3,857,945</u>
Total Capital Assets Being Depreciated	<u>23,564,275</u>	<u>1,885,231</u>	<u>-</u>	<u>25,449,506</u>
Less Accumulated Depreciation	<u>13,419,530</u>	<u>651,245</u>	<u>-</u>	<u>14,070,775</u>
 <u>Business-Type Activities</u>				
<u>Capital Assets, Net</u>	<u>11,094,794</u>	<u>1,246,508</u>	<u>634,654</u>	<u>11,706,648</u>

Beginning in 2004, general infrastructure assets are recorded prospectively in these financial statements, at cost. Retroactive reporting of general infrastructure assets is not required by standards for the City (Phase 3 entity).

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	1,484
Public Safety	-
Public Works	97,340
Culture and Recreation	<u>67,863</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>166,687</u>

Business-Type Activities:

Water	242,653
Sewer	220,145
Sanitation	86,428
Power and Light	<u>102,019</u>
<u>Total Depreciation Expense – Business Type Activities</u>	<u>651,245</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 CHANGES IN LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Land Reclamation Costs	16,000	-	-	16,000	-
Compensated Absences	<u>17,571</u>	<u>2,692</u>	-	<u>20,263</u>	-
	<u>33,571</u>	<u>2,692</u>	-	<u>36,263</u>	-
<u>Business – Type Activities</u>					
Bonds Payable	781,100	-	27,400	753,700	28,600
Notes Payable	1,189,171	-	147,316	1,041,855	68,083
Compensated Absences	133,968	11,112	-	145,080	-
Landfill Closure and Postclosure	<u>150,895</u>	<u>81,303</u>	-	<u>232,198</u>	-
	<u>2,255,134</u>	<u>92,415</u>	<u>174,716</u>	<u>2,172,833</u>	<u>96,683</u>

BONDS PAYABLE

Water Fund

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	16,700	19,291	35,991
2020	17,400	18,531	35,931
2021	18,200	17,739	35,939
2022	19,100	16,909	36,009
2023	20,000	16,040	36,040
2024-2028	114,300	65,714	180,014
2029-2033	142,800	37,220	180,020
2034-2036	<u>84,300</u>	<u>5,777</u>	<u>90,077</u>
<u>Totals</u>	<u>432,800</u>	<u>197,221</u>	<u>630,021</u>

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Sewer Fund

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	15,780	-	15,780
2020	15,780	-	15,780
2021	15,780	-	15,780
2022	15,780	-	15,780
2023	15,780	-	15,780
2024-2028	78,900	-	78,900
2029-2032	<u>55,232</u>	<u>-</u>	<u>55,232</u>
<u>Totals</u>	<u>213,032</u>	<u>-</u>	<u>213,032</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	18,850	-	18,850
2020	18,850	-	18,850
2021	18,850	-	18,850
2022	18,850	-	18,850
2023	18,850	-	18,850
2024-2028	<u>94,250</u>	<u>-</u>	<u>94,250</u>
<u>Totals</u>	<u>188,500</u>	<u>-</u>	<u>188,500</u>

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Enterprise Funds

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

Power & Light Fund	63,938
Sanitation Fund	20,152
Water Fund	44,241
Sewer Fund	<u>16,749</u>
<u>Total</u>	<u>145,080</u>

Land Reclamation Costs

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

Landfill Closure and Postclosure Costs

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$232,198 reported in Long-Term Debt as landfill closure and postclosure care liability at December 31, 2018, represents the cumulative expense incurred to date based on the use of the existing facility and the requirements to close and monitor as the facility currently exists. This amount is based upon what it would cost to perform all postclosure care in 2018. Actual cost may be higher due to inflation, changes in technology or changes in regulations. Current consumption rates indicate that the new landfill will last 49 years.

The City will recognize the remaining estimated cost of closure and postclosure care of \$427,299 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. The City expects to close the landfill in the year 2067. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN

The following plans cover members of the Fire and Police Department and City employees. The plans are:

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

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Income</u>	<u>Pension Expense</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
City of Las Animas Old Hire Police	234,377	-	89,521	-	44,549	12,630
PERA	<u>2,038,576</u>	-	-	<u>142,581</u>	<u>492,482</u>	<u>591,553</u>
Totals	<u>2,272,953</u>	-	<u>89,521</u>	<u>142,581</u>	<u>537,031</u>	<u>604,183</u>

Public Employees Retirement Association:

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

During the 2018 legislative session, the Colorado General assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGCTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to the plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and December 31, 2018*.

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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

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

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

	For the Year Ended December 31, 2018
Employer Contribution Rate	10.00 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%

Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42). Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Las Animas is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Las Animas were \$151,598 for the year ended December 31, 2018.

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

At December 31, 2018, the City of Las Animas reported a liability of \$2,038,576 for its proportionate share of the net pension liability. The net pension liability 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 December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The City of Las Animas proportion of the net pension liability was based on the City of Las Animas' contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the City of Las Animas' proportion was .1830897025 percent, which was a decrease of .0006 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City of Las Animas recognized pension expense of \$142,581. At December 31, 2018, the City of Las Animas reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	127,531	(587,718)
Changes of assumptions or other inputs	21,535	-
Net difference between projected and actual earnings on pension plan investments	191,468	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	350	(3,835)
Contributions subsequent to the measurement date	151,598	N/A
Total	492,482	(591,553)

\$151,598 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 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:

Year ended December 31, 2018	
2019	89,825
2020	(49,458)
2021	(144,106)
2022	(146,930)
2023	-
Thereafter	-

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

The December 31, 2017 actuarial valuation used the following actuarial cost method, actuarial assumptions and other inputs:

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

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

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

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

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

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

The following presents the LGDTF's collective net pension liability calculated using the discount rate of 7.25 percent as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent):

	Sensitivity of the Net Pension Liability		
Discount Rate	6.25%	7.25%	8.25%
Net pension liability	\$3,246,790	\$2,038,576	\$1,031,355

Changes between the measurement date of the net pension liability and December 31, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the LGDTF based on the proportionate amount of annual payroll of the LGDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 4 **DEFINED BENEFIT PENSION PLAN (Continued)**

At December 31, 2018 the City of Las Animas reported a liability of \$2,038,576 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the City of Las Animas' proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	1,441,919

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2018, program members contributed \$7,148.

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION:

Plan Description

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

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

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

During 2018, there were no active policemen covered by the Police Old Hire Plan and 3 retirees receiving benefits. Currently, the City is not contributing to this fund.

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

At December 31, 2018, the City reported a liability of \$234,377 for its net pension liability related to the old hire police pension plan. The new pension liability was measured as of December 31, 2017, and the total liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The City's net pension liability was based on a projection of the City's long-term contributions to the pension plan, actuarially determined.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

For the year ended December 31, 2018, the City recognized pension income of \$89,521. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual results	-	-
Net difference between projected and actual earnings on Plan investments	10,587	(12,630)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City Contributions subsequent to the measurement date	<u>33,962</u>	<u>-</u>
Total	<u>\$44,549</u>	<u>\$(12,630)</u>

Deferred outflows of resources of \$33,962 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending December 31,	Net Deferred Outflows/ (Inflows) of Resources
2019	1,677
2020	1,283
2021	(1,847)
2022	(3,156)
2023	-
Thereafter	<u>-</u>
Total	<u>\$(2,043)</u>

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

Methods and Assumptions Used to Determine contribution Rates for the Fiscal Year Ending December 31, 2017:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	15 years*
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees, For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

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 Real Rate of Return</u>
Cash	2.00%	2.26%
Fixed Income	15.00%	3.00%
Managed Futures	4.00%	6.85%
Absolute Return	9.00%	6.46%
Long Short	9.00%	7.15%
Global Public Equity	37.00%	8.33%
Private Capital	<u>24.00%</u>	9.70%
Total	100.00%	

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 DEFINED BENEFIT PENSION PLAN (Continued)

OLD HIRE POLICE PENSION: (Continued)

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

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

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

Police Old Hire Plan			
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.5%
Net Pension Liability/(Asset)	268,192	234,377	204,609

NOTE 5 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit And Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. City of Las Animas, Colorado participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan

Plan description. Eligible employees of the City of Las Animas, Colorado are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize

disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City of Las Animas, Colorado is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from City of Las Animas, Colorado were \$12,195 for the year ended December 31, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2018, the City of Las Animas, Colorado reported a liability of \$184,893 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The City of Las Animas, Colorado proportion of the net OPEB liability was based on City of Las Animas, Colorado contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

At December 31, 2017, the City of Las Animas, Colorado proportion was 0.01423 percent, which was an increase of 0.00013 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City of Las Animas, Colorado recognized OPEB expense of \$3,857. At December 31, 2018, the City of Las Animas, Colorado reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	874	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(3,093)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	12,195	N/A
Total	13,069	(3,093)

\$12,195 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2019	(601)
2020	(602)
2021	(601)
2022	(602)
2023	172
Thereafter	15

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 5 **OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

The Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

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

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

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

Sensitivity of the City of Las Animas, Colorado proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	179,806	184,893	191,020

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

Sensitivity of the City of Las Animas, Colorado proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	207,878	184,893	165,275

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 6 INTERGOVERNMENTAL AGREEMENT

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

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

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

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

Assets	<u>83,659,446</u>
Liabilities	33,114,953
Fund Equity	<u>50,544,493</u>
	<u>83,659,446</u>
Revenues	27,433,840
Expenditures	29,755,861
Distributions to Members (Credits to Members)	<u>(924,193)</u>
Current Period Excess (Deficiency)	<u>(3,246,214)</u>

NOTE 7 SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 8 CONTINGENCIES

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

NOTE 9 COMMITMENTS

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

NOTE 10 CASH AND INVESTMENTS

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	250,000	250,000
Uninsured, Collateral held by Bank or its agent in City's name	<u>3,976,204</u>	<u>4,046,887</u>
<u>Sub-Total</u>	4,226,204	4,296,887
Plus Cash with County Treasurer	6,322	-
Petty Cash	<u>400</u>	<u>-</u>
<u>Net Cash & Certificates of Deposit</u>	<u>4,232,926</u>	<u>4,296,887</u>

As presented above, deposits with a bank balance of \$4,046,887 and a carrying balance of \$3,976,204 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 City to establish Emergency Reserves (see Note 11). \$44,600 of fund balance has been restricted in compliance with this requirement.

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

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

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

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

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification as an Enterprise) will require judicial interpretation.

NOTE 12 RISK MANAGEMENT

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

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

CITY OF LAS ANIMAS, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 13 ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS

At December 31, 2018, the City has provided an allowance for estimated uncollectible utility billings of \$20,000. The receivables shown in the financial statements of the utility funds are net of this allowance.

NOTE 14 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.

	<u>Interfund Receivables / Payables</u>	<u>Interfund Transfers</u>
Governmental Activities	-	46,897

NOTE 15 INTERFUND ACTIVITY

Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 2018 were as follows:

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

Interfund Transfers

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose</u>
Governmental Activities:			
General	-	19,611	Capital Acquisition
Sales Tax Development	-	14,000	Capital Acquisition
Infrastructure & Improvement	-	153,130	Capital Acquisition
Parks & Recreation	46,897	-	Capital Acquisition
Business Type Activities:			
Water	105,074	-	Capital Acquisition
Sewer	34,770	-	Capital Acquisition
	<u>186,741</u>	<u>186,741</u>	

CITY OF LAS ANIMAS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 16 RESTATEMENT OF BEGINNING NET POSITION

The net position of the governmental activities and business type activities have been restated to reflect the implementation of GASB Statement 75. That statement requires that the City report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position has been changed by the net OPEB liability at December 31, 2018 and related deferred flows resulting in restated beginning net position for the following activities:

	<u>Beginning Net Position</u>	<u>OPEB Liability</u>	<u>Deferred Flows</u>	<u>Restated Beginning Net Position</u>
Governmental Activities	<u>1,714,666</u>	<u>(40,407)</u>	<u>2,603</u>	<u>1,676,862</u>
Business Type Activities :				
Light and Power Fund	2,896,717	(79,426)	5,118	2,822,409
Water Fund	4,110,813	(32,363)	2,085	4,080,535
Sewer Fund	3,691,619	(15,048)	970	3,677,541
Sanitation Fund	<u>535,359</u>	<u>(15,597)</u>	<u>1,005</u>	<u>520,767</u>
Total	<u>11,234,508</u>	<u>(142,434)</u>	<u>9,178</u>	<u>11,101,252</u>

NOTE 17 PRIOR YEAR ADJUSTMENT- SANITATION FUND

During 2018, it was determined that prior year assumptions used to determine the Landfill Closure and Post Closure liability were inaccurate. These assumptions were adjusted, in the amount of \$56,744, to reflect a more accurate liability with the corresponding entry to Net Position.

Closure and Post Closure Liability, before adjustment, as of January 1, 2018	\$150,895
Prior Year Adjustment	<u>\$ 56,744</u>
Closure and Post Closure Liability, after adjustment, as of January 1, 2018	<u>\$207,639</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFIT TREND DATA

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

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

Pension Trend Data

Other Post Employment Benefits Trend Data

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

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	343,683	342,816	(867)
Sales Tax	165,000	169,622	4,622
Registration Fees	7,500	8,475	975
Light and Power Franchise	124,144	123,188	(956)
Interest	4,000	2,637	(1,363)
Property Tax Interest	-	1,368	1,368
Highway Users Tax	110,726	101,682	(9,044)
Specific Ownership Tax	26,000	29,274	3,274
Severance Tax	27,277	-	(27,277)
Cigarette Tax	1,200	1,325	125
Cable TV Franchise	2,000	-	(2,000)
Kinder Morgan Gas Franchise	21,000	18,898	(2,102)
Telephone Franchise	1,300	746	(554)
County Road & Bridge	12,700	12,587	(113)
Court and Traffic Fines	10,000	3,949	(6,051)
Other Revenues	10,500	5,306	(5,194)
Administration Fees	108,800	95,200	(13,600)
Licenses and Permits	7,000	8,332	1,332
Dog Pound Fees	8,000	9,055	1,055
Sale of Equipment	5,000	-	(5,000)
Revolving Loan Payments	30,000	12,406	(17,594)
Health Fund Contributions	15,000	-	(15,000)
Excess (Deficit) Health Insurance Contributions	-	65,870	65,870
<u>TOTAL REVENUES</u>	<u>1,040,830</u>	<u>1,012,736</u>	<u>(28,094)</u>

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

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

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
<u>EXPENDITURES</u>			
<u>GENERAL GOVERNMENT</u>			
<u>Administration</u>			
Salaries	157,030	158,751	(1,721)
Payroll Taxes and Benefits	72,126	67,386	4,740
Audit	4,000	3,813	187
Attorney Fees	2,000	1,747	253
Mayor's Expenses	200	368	(168)
Dues	1,440	1,464	(24)
Insurance	5,350	5,334	16
Office Supplies and Printing	8,000	4,632	3,368
Postage	-	4,350	(4,350)
Utilities	1,200	1,164	36
Office Equipment Fees	1,000	-	1,000
Office Equipment Supplies & Expenditures	9,200	9,382	(182)
Travel and Education	2,000	3,025	(1,025)
Miscellaneous	1,000	2,036	(1,036)
Ordinance Codification	3,000	-	3,000
Election Expense	-	1,832	(1,832)
Treasurer Fees	5,000	6,578	(1,578)
Contract Service	500	358	142
Internet Service	1,200	900	300
Health Fund Reimbursement	10,000	13,940	(3,940)
TNR Grant	-	600	(600)
<u>Total Administration</u>	<u>284,246</u>	<u>287,660</u>	<u>(3,414)</u>
<u>Municipal Court</u>			
Salaries	4,017	2,924	1,093
Payroll Taxes and Benefits	967	373	594
Office Supplies and Printing	100	-	100
Postage	50	-	50
Miscellaneous	500	145	355
<u>Total Municipal Court</u>	<u>5,634</u>	<u>3,442</u>	<u>2,192</u>
<u>Dog Pound</u>			
Salaries	19,570	29,553	(9,983)
Payroll Taxes and Benefits	5,810	9,577	(3,767)
Insurance	1,700	1,695	5
Office Supplies and Printing	2,000	1,719	281
Postage	-	7	(7)
Utilities	5,000	2,475	2,525
Maintenance	2,000	176	1,824
Miscellaneous	1,000	1,311	(311)
<u>Total Dog Pound</u>	<u>37,080</u>	<u>46,513</u>	<u>(9,433)</u>

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

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

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable</u> <u>(Unfavorable)</u>
<u>Municipal Hall</u>			
Salaries	15,759	10,325	5,434
Payroll Taxes & Benefits	4,860	3,596	1,264
Insurance	1,650	1,695	(45)
Office Supplies	4,000	3,389	611
Building Maintenance	1,500	3,072	(1,572)
Utilities	10,000	7,384	2,616
Capital Outlay	10,000	439	9,561
Miscellaneous	-	75	(75)
<u>Total Municipal Hall</u>	<u>47,769</u>	<u>29,975</u>	<u>17,794</u>
 <u>TOTAL GENERAL GOVERNMENT</u>	 <u>374,729</u>	 <u>367,590</u>	 <u>7,139</u>
 <u>PUBLIC SAFETY</u>			
<u>Police Department</u>			
Contracted Services–Bent County	355,000	349,676	5,324
Pension Payment – Old Hire Retirement Fund	<u>33,962</u>	<u>33,962</u>	-
<u>Total Police Department</u>	<u>388,962</u>	<u>383,638</u>	<u>5,324</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>388,962</u>	<u>383,638</u>	<u>5,324</u>
 <u>PUBLIC WORKS</u>			
<u>Street Department</u>			
Salaries	74,398	71,430	2,968
Payroll Taxes and Benefits	43,607	40,038	3,569
Insurance	6,000	5,931	69
Office Supplies and Printing	1,200	920	280
Utilities	54,500	49,919	4,581
Maintenance	35,233	33,703	1,530
Fuel	2,300	3,019	(719)
Field Supplies	2,000	2,127	(127)
Miscellaneous	4,700	2,982	1,718
<u>Total Street Department</u>	<u>223,938</u>	<u>210,069</u>	<u>13,869</u>
<u>TOTAL PUBLIC WORKS</u>	<u>223,938</u>	<u>210,069</u>	<u>13,869</u>

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

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

<u>Budgeted Amounts</u>	<u>Original & Final</u>	<u>Favorable Actual</u>	<u>Variance- (Unfavorable)</u>
REVOLVING LOAN			
Concrete	25,000	9,483	15,517
Supplies	2,000	104	1,896
Contracted Services	30,000	11,685	18,315
Miscellaneous	1,000	-	1,000
<u>Total Revolving Loan</u>	<u>58,000</u>	<u>21,272</u>	<u>36,728</u>
RESERVES			
Contingency Reserves	407,718	-	407,718
<u>Total Reserves</u>	<u>407,718</u>	<u>-</u>	<u>407,718</u>
<u>TOTAL EXPENDITURES</u>	<u>1,453,347</u>	<u>982,569</u>	<u>470,778</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(412,517)</u>	<u>30,167</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	37,000	10,439	(26,561)
Operating Transfers (Out)	(39,050)	(30,050)	9,000
<u>Total Other Financing Sources (Uses)</u>	<u>(2,050)</u>	<u>(19,611)</u>	<u>(17,561)</u>
<u>REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)</u>	<u>(414,567)</u>	<u>10,556</u>	
<u>FUND BALANCE, Beginning</u>	<u>414,567</u>	<u>410,648</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>421,204</u>	

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

PENSION TREND DATA

OTHER POST EMPLOYEMNT BENEFIT TREND DATA

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
 AND RELATED RATIOS MULTIYEAR
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)
 For the Year ended December 31, 2018

Measurement period ending December 31,	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Pension Liability				
Interest on the Total Pension Liability	40,548	38,887	40,851	39,848
Difference Between Expected and Actual Experience of the total Pension Liability	-	20,981	-	(81,395)
Changes of Assumptions	-	25,232	-	-
Benefit Payments	<u>(62,700)</u>	<u>(62,700)</u>	<u>(54,982)</u>	<u>(53,439)</u>
Net Change in Total Pension Liability	<u>(22,152)</u>	22,400	(14,131)	(94,986)
Total Pension Liability – Beginning	<u>571,427</u>	<u>549,275</u>	<u>571,675</u>	<u>557,544</u>
Total Pension Liability – Ending	<u>549,275</u>	<u>571,675</u>	<u>557,544</u>	<u>462,558</u>
Plan Fiduciary Net Position				
Employer Contributions	-	50,206	26,510	-
Pension Plan Net Investment Income	19,932	4,715	12,495	32,542
Benefit Payments	(62,700)	(62,700)	(54,982)	(53,439)
Pension Plan Administrative Expense	<u>(3,336)</u>	<u>(748)</u>	<u>(3,558)</u>	<u>(1,065)</u>
Net Change in Plan Fiduciary Net Position	<u>(46,104)</u>	<u>(8,527)</u>	<u>(19,535)</u>	<u>(21,962)</u>
Plan Fiduciary Net Position – Beginning	<u>324,309</u>	<u>278,205</u>	<u>269,678</u>	<u>250,143</u>
Plan Fiduciary Net Position – Ending	<u>278,205</u>	<u>269,678</u>	<u>250,143</u>	<u>228,181</u>
Net Pension Liability/(Asset)	271,070	301,997	307,401	234,377
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	50.65%	47.17%	44.87%	49.33%
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

CITY OF LAS ANIMAS, COLORADO
 OLD HIRE SCHEDULE OF CONTRIBUTIONS MULTI-YEAR
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)
 For the Year Ended December 31, 2018

<u>FY Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	23,696	-	23,696	N/A	N/A
2015	26,510	50,206	(23,696)	N/A	N/A
2016	26,510	26,510	-	N/A	N/A
2017	33,962	33,962*	-	N/A	N/A

*Payment accrued as of December 31, 2017, and paid in year 2018

CITY OF LAS ANIMAS, COLORADO
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY OF THE LOCAL GOVERNMENT DIVISION TRUST FUND
 A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
 ADMINISTERED BY THE COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
 For the Year Ended DECEMBER 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net pension liability	.1814%	.1835%	.1837%	.1831%
City's proportionate share of the net pension liability	\$1,625,892	\$2,021,142	\$2,480,707	\$2,038,576
City's covered payroll	\$1,042,003	\$1,113,514	\$1,155,006	\$1,195,570
City's proportionate share of the net pension liability as a percentage of its covered payroll	156%	182%	215%	171%
Plan fiduciary net position as a percentage of the total pension liability	80.72%	76.9%	73.6%	79.37%

CITY OF LAS ANIMAS, COLORADO
 SCHEDULE OF CITY CONTRIBUTIONS TO THE LOCAL GOVERNMENT DIVISION TRUST FUND
 A COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ADMINISTERED BY
 THE COLORADO PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION
 For the Year Ended DECEMBER 31, 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 132,126	\$ 141,194	\$ 146,455	\$ 151,598
Contributions in relation to the contractually required contribution	<u>\$ (132,126)</u>	<u>\$ (141,194)</u>	<u>\$ (146,455)</u>	<u>\$ (151,598)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$1,042,003	\$1,113,514	\$1,155,006	\$1,195,570
Contributions as a percentage of covered payroll	12.68%	12.68%	12.68%	12.68%

CITY OF LAS ANIMAS, COLORADO
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
City's proportion of the net OPEB liability (asset)	0.0142%	0.0141%	-	-	-	-	-	-	-	-
City's proportionate share of the net OPEB liability (asset)	\$184,893	\$182,841	-	-	-	-	-	-	-	-
City's covered payroll	\$1,195,570	\$1,155,006	-	-	-	-	-	-	-	-
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	15.46%	15.83%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.71%	-	-	-	-	-	-	-	-

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

CITY OF LAS ANIMAS, COLORADO
 SCHEDULE OF CITY CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$12,195	\$11,781	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(12,195)</u>	<u>\$(11,781)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
City's covered payroll	\$1,195,570	\$1,155,006	-	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

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

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

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

NON MAJOR GOVERNMENTAL FUND

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

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

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

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

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

CITY OF LAS ANIMAS, COLORADO
 INFRASTRUCTURE AND IMPROVEMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Sales Tax Revenue	165,000	173,484	8,484
Interest Revenue	<u>300</u>	<u>285</u>	<u>(15)</u>
<u>Total Revenues</u>	<u>165,300</u>	<u>173,769</u>	<u>8,469</u>
<u>EXPENDITURES</u>			
Debt Service	15,780	-	15,780
Contingency Reserve	<u>77,780</u>	<u>-</u>	<u>77,780</u>
<u>Total Expenditures</u>	<u>93,560</u>	<u>-</u>	<u>93,560</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>			
	<u>71,740</u>	<u>173,769</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	(149,500)	(153,130)	(3,630)
<u>Total Other Financing Sources (Uses)</u>	<u>(149,500)</u>	<u>(153,130)</u>	<u>(3,630)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>			
	(77,760)	20,639	
<u>FUND BALANCES, Beginning</u>	<u>77,760</u>	<u>96,272</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>116,911</u>	

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

CITY OF LAS ANIMAS, COLORADO
1% STREET IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Sales Tax	165,000	173,484	8,484
Interest Revenue	400	271	(129)
Other Revenue	<u>2,000</u>	<u>218</u>	<u>(1,782)</u>
<u>Total Revenues</u>	<u>167,400</u>	<u>173,973</u>	<u>6,573</u>
<u>EXPENDITURES</u>			
Highways and Streets	172,400	157,701	14,699
Contingency Reserve	<u>100,922</u>	<u>-</u>	<u>100,922</u>
<u>Total Expenditures</u>	<u>273,322</u>	<u>157,701</u>	<u>115,621</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>			
	(105,922)	<u>16,272</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>			
	(100,922)	(16,272)	
<u>FUND BALANCES, Beginning</u>	<u>100,922</u>	<u>89,183</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>105,455</u>	

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

CITY OF LAS ANIMAS, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2018

	<u>Special Revenue Fund</u>				Total Non-Major Governmental Funds
	<u>Conservation Trust</u>	<u>Parks and Recreation</u>	<u>Sales Tax Development</u>	<u>Safe Route to School</u>	
<u>ASSETS</u>					
Cash and Cash Equivalents	14,018	9,255	35,749	3	59,025
Accounts Receivable	-	-	15,415	-	15,415
Due from Other Funds	-	-	-	-	-
<u>Total Assets</u>	<u>14,018</u>	<u>9,255</u>	<u>51,164</u>	<u>3</u>	<u>74,440</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities:</u>					
Accounts Payable	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted for:					
Parks and Recreation	14,018	-	-	-	14,018
Capital Improvements	-	-	-	3	3
Street Improvement	-	-	-	-	-
Economic Development	-	-	51,164	-	51,164
Assigned for:					
Parks and Recreation	-	9,255	-	-	9,255
<u>Total Fund Balances</u>	<u>14,018</u>	<u>9,255</u>	<u>51,164</u>	<u>3</u>	<u>74,440</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>14,018</u>	<u>9,255</u>	<u>51,164</u>	<u>3</u>	<u>74,440</u>

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

CITY OF LAS ANIMAS, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2018

	Special Revenue Fund				Total Non-Major Governmental Funds
	Conservation Trust	Parks and Recreation	Sales Tax Development	Safe Route to School	
<u>REVENUES</u>					
Taxes	-	-	88,020	-	88,020
Intergovernmental	22,114	-	-	-	22,114
Interest	83	2	170	-	255
Other	-	12,278	4,454	-	16,732
<u>Total Revenues</u>	<u>22,197</u>	<u>12,280</u>	<u>92,644</u>	<u>-</u>	<u>127,121</u>
<u>EXPENDITURES</u>					
Highways and Street	-	-	-	-	-
Culture and Recreation	23,969	60,533	-	-	84,502
Public Safety	-	-	-	-	-
Community Services	-	-	71,393	-	71,393
Debt Services	-	-	-	-	-
<u>Total Expenditures</u>	<u>23,969</u>	<u>60,533</u>	<u>71,393</u>	<u>-</u>	<u>155,895</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	(1,772)	(48,253)	21,251	-	(28,774)
<u>Other Financing Sources (Uses)</u>					
<u>Operating Transfers In (Out)</u>	-	46,897	(14,000)	-	32,897
<u>Excess (Deficiency) of Revenues And Other Financing Sources Over Expenditures & Other Uses</u>	(1,772)	(1,356)	7,251	-	4,123
<u>Fund Balances, Beginning</u>	<u>15,790</u>	<u>10,611</u>	<u>43,913</u>	<u>3</u>	<u>70,317</u>
<u>Fund Balances, Ending</u>	<u>14,018</u>	<u>9,255</u>	<u>51,164</u>	<u>3</u>	<u>74,440</u>

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

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

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	24,500	22,114	(2,386)
Interest	<u>30</u>	<u>83</u>	<u>53</u>
<u>Total Revenues</u>	<u>24,530</u>	<u>22,197</u>	<u>(2,333)</u>
<u>EXPENDITURES</u>			
Culture and Recreation	24,518	23,969	549
Contingency	<u>15,727</u>	<u>-</u>	<u>15,727</u>
<u>Total Expenditures</u>	<u>40,245</u>	<u>23,969</u>	<u>16,276</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>(15,715)</u>	<u>(1,772)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u> <u>OTHER FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>	<u>(15,715)</u>	<u>(1,772)</u>	
<u>FUND BALANCE, Beginning</u>	<u>15,715</u>	<u>15,790</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>14,018</u>	

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

CITY OF LAS ANIMAS, COLORADO
PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Interest	50	2	(48)
Other	<u>14,500</u>	<u>12,278</u>	<u>(2,222)</u>
<u>Total Revenues</u>	<u>14,550</u>	<u>12,280</u>	<u>(2,270)</u>
<u>EXPENDITURES</u>			
Culture and Recreation	67,096	60,533	6,563
Contingency	<u>3,012</u>	<u>-</u>	<u>3,012</u>
<u>Total Expenditures</u>	<u>70,108</u>	<u>60,533</u>	<u>9,575</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>			
	<u>(55,558)</u>	<u>(48,253)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In(Out)	<u>52,550</u>	<u>46,897</u>	<u>(5,653)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>52,550</u>	<u>46,897</u>	<u>(5,653)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u> <u>OTHER FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>			
	<u>(3,008)</u>	<u>(1,356)</u>	
<u>FUND BALANCES, Beginning</u>			
	<u>3,008</u>	<u>10,611</u>	
<u>FUND BALANCES, Ending</u>			
	<u>-</u>	<u>9,255</u>	

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

CITY OF LAS ANIMAS, COLORADO
 SALES TAX DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Sales Tax	76,500	88,020	11,520
Interest	300	170	(130)
Other	<u>1,000</u>	<u>4,454</u>	<u>3,454</u>
<u>Total Revenues</u>	<u>77,800</u>	<u>92,644</u>	<u>14,844</u>
<u>EXPENDITURES</u>			
Community Services	71,350	71,393	(43)
Contingency	<u>26,289</u>	-	<u>26,289</u>
<u>Total Expenditures</u>	<u>97,639</u>	<u>71,393</u>	<u>26,246</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES</u>			
	(19,839)	<u>21,251</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	3,000	3,000	-
Operating Transfers (Out)	<u>(17,000)</u>	<u>(17,000)</u>	-
<u>Total Other Financing Sources (Uses)</u>	<u>(14,000)</u>	<u>(14,000)</u>	-
<u>EXCESS (DEFICIENCY) OF REVENUES AND</u>			
<u>OTHER FINANCING SOURCES OVER</u>			
<u>EXPENDITURES AND OTHER USES</u>			
	(33,839)	7,251	
<u>FUND BALANCES, Beginning</u>			
	33,839	<u>43,913</u>	
<u>FUND BALANCES, Ending</u>			
	-	<u>51,164</u>	

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

CITY OF LAS ANIMAS, COLORADO
SAFE ROUTE TO SCHOOL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2018

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

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

ENTERPRISE FUNDS – BUDGET STATEMENTS

CITY OF LAS ANIMAS, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance-Favorable <u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	762,000	759,143	(2,857)
Other	<u>42,000</u>	<u>43,463</u>	<u>1,463</u>
<u>Total Operating Revenues</u>	<u>804,000</u>	<u>802,606</u>	<u>(1,394)</u>
<u>OPERATING EXPENSES</u>			
Salaries	223,044	211,665	11,379
Payroll Taxes & Benefits	100,389	101,001	(612)
Insurance	9,500	9,321	179
Office Supplies	7,000	10,546	(3,546)
Utilities & Telephone	150,000	135,046	14,954
Maintenance	208,000	34,412	173,588
Capital Outlay	49,500	23,988	25,512
Miscellaneous	7,000	7,738	(738)
Education and Travel	2,500	774	1,726
Fuel	14,000	9,503	4,497
Contracted Services	7,000	3,906	3,094
Field Supplies	57,500	44,254	13,246
Administrative Fee	32,100	32,100	-
Bad Debt Expense	3,000	3,348	(348)
Contingency	4,045,990	-	4,045,990
Pension and OPEB Expense	-	<u>24,058</u>	<u>(24,058)</u>
<u>Total Operating Expenses</u>	<u>4,916,523</u>	<u>651,660</u>	<u>4,264,863</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(4,112,523)</u>	<u>150,946</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Capital Grant	14,500	14,400	(100)
Interest Revenue	3,000	3,181	181
Other Revenue	22,000	19,703	(2,297)
Principal Debt Retirement	-	(54,467)	(54,467)
Interest Paid	<u>(89,700)</u>	<u>(34,936)</u>	<u>54,764</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(50,200)</u>	<u>(52,119)</u>	<u>(1,919)</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(4,162,723)</u>	<u>(98,827)</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfer In (Out)	<u>65,500</u>	<u>105,074</u>	<u>39,574</u>
<u>Total Operating Transfers</u>	<u>65,500</u>	<u>105,074</u>	<u>39,574</u>
<u>NET INCOME (LOSS)</u>	<u>(4,097,223)</u>	<u>203,901</u>	
<u>NET POSITION, Beginning</u>	<u>4,097,223</u>	<u>4,110,813</u>	
Restatement of Net Position	-	<u>(30,278)</u>	
<u>NET POSITION (As Restated) Beginning</u>	<u>4,097,223</u>	<u>4,080,535</u>	
<u>BUDGETARY BASIS – NET POSITION, (DEFICIT) Ending</u>	<u>-</u>	<u>4,284,436</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS</u>			
Depreciation	-	(242,653)	
Capital Outlay	-	12,522	
Principal Debt Retirement	-	54,467	
<u>NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>4,108,772</u>	

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

CITY OF LAS ANIMAS, COLORADO
SEWER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Variance-Favorable</u>
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	502,500	480,095	(22,405)
Other	8,000	-	(8,000)
<u>Total Operating Revenues</u>	<u>510,500</u>	<u>480,095</u>	<u>(30,405)</u>
<u>OPERATING EXPENSES</u>			
Salaries	111,442	98,409	13,033
Payroll Taxes & Benefits	56,727	50,326	6,401
Insurance	9,500	9,321	179
Office Supplies	2,000	1,802	198
Utilities & Telephone	78,000	74,394	3,606
Maintenance	41,500	25,426	16,074
Capital Outlay	1,495,850	871,681	624,169
Miscellaneous	12,000	7,291	4,709
Education and Travel	2,000	340	1,660
Fuel	15,300	3,569	11,731
Contracted Services	5,500	3,906	1,594
Field Supplies	7,000	3,796	3,204
Administrative Fee	38,900	28,900	10,000
Bad Debt Expense	(1,000)	3,064	(4,064)
Contingency Reserve	3,096,710	-	3,096,710
Pension and OPEB Expense	-	11,185	(11,185)
<u>Total Operating Expenses</u>	<u>4,971,429</u>	<u>1,193,410</u>	<u>3,778,019</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(4,460,929)</u>	<u>(713,315)</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Loan Proceeds	500,500	-	(500,500)
Capital Grants/Loan Forgiveness	-	807,347	807,347
Interest Revenue	1,500	1,844	344
Other Revenue	941,500	3,333	(938,167)
Principal Debt Retirement	(120,249)	(120,249)	-
Interest Paid	(3,301)	(2,118)	1,183
<u>Total Non-Operating Revenues (Expenses)</u>	<u>1,319,950</u>	<u>690,157</u>	<u>(629,793)</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(3,140,979)</u>	<u>(23,158)</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfer In (Out)	44,280	34,770	(9,510)
<u>Total Operating Transfers</u>	<u>44,280</u>	<u>34,770</u>	<u>(9,510)</u>
<u>NET INCOME (LOSS)</u>	<u>(3,096,699)</u>	<u>11,612</u>	
<u>NET POSITION, Beginning</u>			
Restatement of Net Position	3,096,699	3,691,619	
<u>NET POSITION, (As Restated) Beginning</u>	<u>3,096,699</u>	<u>14,078</u>	
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>3,689,153</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS</u>			
Depreciation	-	(220,145)	
Capital Outlay	-	860,944	
Principal Debt Retirement	-	120,249	
<u>NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>4,450,201</u>	

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

CITY OF LAS ANIMAS, COLORADO
SANITATION FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (NON-GAAP) AND ACTUAL
For the Year Ended December 31, 2018

	Budgeted Amounts		Variance-Favorable	
	Original & Final	Actual	(Unfavorable)	
<u>OPERATING REVENUES</u>				
Charges for Services	502,000	543,727	41,727	
Other	<u>46,500</u>	<u>14,916</u>	<u>(31,584)</u>	
<u>Total Operating Revenues</u>	<u>548,500</u>	<u>558,643</u>	<u>10,143</u>	
<u>OPERATING EXPENSES</u>				
Salaries	73,469	102,985	(29,516)	
Payroll Taxes & Benefits	32,906	41,181	(8,275)	
Insurance	6,000	6,192	(192)	
Compaction and Disposal	163,500	140,368	23,132	
Maintenance	159,300	55,006	104,294	
Miscellaneous	39,800	25,740	14,060	
Bad Debt Expense	(700)	1,868	(2,568)	
Contracted Services	9,500	18,005	(8,505)	
Administrative Fee	33,000	33,000	-	
Transfer Station	35,000	47,317	(12,317)	
County Reimbursement	22,000	30,136	(8,136)	
Landfill Post Closure Costs	5,000	28,289	(23,289)	
Contingency Reserve	511,493	-	511,493	
Capital Outlay	-	105,956	(105,956)	
Pension and OPEB Expense	-	<u>11,592</u>	<u>(11,592)</u>	
<u>Total Operating Expenses</u>	<u>1,090,268</u>	<u>647,635</u>	<u>442,633</u>	
<u>OPERATING INCOME (LOSS)</u>	<u>(541,768)</u>	<u>(88,992)</u>		
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Debt Proceeds	-	-	-	
Interest Revenue	500	1,000	500	
Interest Paid	<u>(100)</u>	<u>(16)</u>	<u>84</u>	
<u>Total Non-Operating Revenues (Expenses)</u>	<u>400</u>	<u>984</u>	<u>584</u>	
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(541,368)</u>	<u>(88,008)</u>		
<u>OPERATING TRANSFERS</u>				
Operating Transfer In (Out)	<u>30,000</u>	-	<u>(30,000)</u>	
<u>Total Operating Transfers</u>	<u>30,000</u>	-	<u>(30,000)</u>	
<u>NET INCOME (LOSS)</u>	<u>(511,368)</u>	<u>(88,008)</u>		
<u>NET POSITION, Beginning</u>	511,368	535,359		
Restatement of Net Position	-	<u>(14,592)</u>		
<u>NET POSITION, As Restated, Beginning</u>	<u>511,368</u>	<u>520,767</u>		
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	-	432,759		
<u>PRIOR YEAR ADJUSTMENT</u>		(56,744)		
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS</u>				
Depreciation	-	(86,428)		
Capital Outlay	-	105,956		
Principal Debt Retirements	-	-		
<u>NET POSITON (DEFICIT), Ending</u>	<u>-</u>	<u>395,543</u>		

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

CITY OF LAS ANIMAS, COLORADO
 LIGHT AND POWER FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET (NON-GAAP) AND ACTUAL
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance-Favorable</u> <u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	4,147,712	4,094,039	(53,673)
Other	<u>-</u>	<u>36,222</u>	<u>36,222</u>
<u>Total Operating Revenues</u>	<u>4,147,712</u>	<u>4,130,261</u>	<u>(17,451)</u>
<u>OPERATING EXPENSES</u>			
Salaries	521,433	530,696	(9,263)
Payroll Taxes and Benefits	240,970	218,295	22,675
Purchased Power	2,771,448	2,784,891	(13,443)
Insurance	44,100	47,374	(3,274)
Office Supplies	20,350	19,964	386
Maintenance	-	25,401	(25,401)
Capital Outlay	25,000	4,342	20,658
Miscellaneous	32,572	52,449	(19,877)
Education and Training	12,000	2,416	9,584
Fuel	10,000	9,721	279
Contracted Services	15,000	13,476	1,524
Field Supplies	201,856	100,540	101,316
Administrative Fee	125,344	123,188	2,156
Warehouse Expense	4,250	3,863	387
Depreciation Expense	130,250	102,019	28,231
Pension and OPEB Expense	-	62,960	(62,960)
Contingency Reserve	<u>1,559</u>	<u>-</u>	<u>1,559</u>
<u>Total Operating Expenditures</u>	<u>4,156,132</u>	<u>4,101,595</u>	<u>54,537</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(8,420)</u>	<u>28,666</u>	
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Revenue	4,120	13,831	9,711
Other Revenue	4,800	161	(4,639)
Interest Paid	<u>(500)</u>	<u>-</u>	<u>500</u>
<u>Total Non-Operating Revenues and Expenses</u>	<u>8,420</u>	<u>13,992</u>	<u>5,572</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>-</u>	<u>42,658</u>	
<u>OPERATING TRANSFERS</u>			
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Operating Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCOME (LOSS)</u>	<u>-</u>	<u>42,658</u>	
<u>NET POSITION, Beginning</u>	<u>-</u>	<u>2,896,717</u>	
<u>Restatement of Net Position</u>	<u>-</u>	<u>(74,308)</u>	
<u>NET POSITION (As Restated), Beginning</u>	<u>-</u>	<u>2,822,409</u>	
<u>BUDGETARY BASIS-NET POSITION (DEFICIT), Ending</u>	<u>-</u>	<u>2,865,067</u>	
<u>BUDGETARY ITEMS NOT AFFECTING NET POSITION AND NON-BUDGETED ITEMS</u>			
Capital Outlay	<u>-</u>	<u>-</u>	
<u>NET POSITON (DEFICIT), Ending</u>	<u>-</u>	<u>2,865,067</u>	

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

OTHER SCHEDULES

ANNUAL HIGHWAY FINANCE REPORT - CY18

Steps for editing and printing your content

1. Enter your email and select your City or County from the list below.
2. Click on "Start" to edit/update your data.
3. Click on "Save" at the bottom of the form to save your work.
4. Click on "Print Mode" at the bottom of the form to view your work in a read only more printer friendly format.
5. Click on "Edit Mode" at the bottom of the form to return to editing your work.
6. Save any changes that are made using the "Save" button.

Your Email Address:

lacityclerk81054@gmail.com

Select City:

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	169622.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	0.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	0.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 169,622.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00

Total: (a + b) carried to 'Other local imposts' above \$ 0.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

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

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

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	101682.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	0.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00

Total: (1+3c,d,e) \$ 101,682.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	271,304.00
2. Maintenance:	\$	0.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	0.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	271,304.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

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

Please no commas or dollar signs for the input

C. Payments to State for Highways:

\$	0.00
----	------

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: (A+B+C+D) \$ 271,304.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A. 1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 271304.00	\$ 271,304.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 271,304.00
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 271,304.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 271,304.00	\$ 271,304.00	\$ 0.00	\$ 0.00

Notes & Comments:
undefined

Please enter your name: Charmaine Tripp

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

Save Print Mode Edit Mode

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