TOWN OF LA JARA, COLORADO

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2019

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ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of La Jara, Colorado
La Jara, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the remaining fund information of the Town of La Jara, Colorado (the Town) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 activity, each major fund, and the remaining fund information of the Town as of December 31, 2019, 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 on pages i through viii, the budgetary comparison schedules on pages 32 through 36, the schedule of the Town's proportionate share of the net pension liability on page 37, and the schedule of the Town's contributions on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of La Jara, Colorado's basic financial statements. The budget to actual comparison schedule on page 39, and the local highway finance report on pages 40 through 41 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budget to actual comparison schedule on page 39, and the local highway finance report on pages 40 through 41 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 budget to actual comparison schedule on page 39 and the local highway finance report on pages 40 through 41 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McPherson, Goodrich, Paolucci & Mihelich, P.C.

August 7, 2020

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the Town of La Jara (the Town) for the year ended December 31, 2019. It is offered here by the management of the Town to the readers of its financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceed its liabilities and deferred inflows of resources at December 31, 2019 by $3,069,483 (net position). Of this amount, $439,156 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's total net position decreased $19,605. The highlights of this decrease can be found on pages 4 and 5 of this report.

- At December 31, 2019, the Town's governmental funds reported combined ending fund balances of $209,202. This amount is classified into the following categories:

Nonspendable	$ 4,431	2.11%
Restricted	$ 38,025	18.18%
Committed	$ -	-
Assigned	$ -	-
Unassigned	$ 166,746	79.71%

- The $166,746 unassigned fund balance in the General Fund represents 27.05% of total General Fund expenditures.

- The Town's total debt decreased by $79,172 (11.61%) during the current year. The highlights of this decrease can be found on pages 22 and 23 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The reporting focus is on the Town as a whole and on individual major funds. It is intended to present a more comprehensive view of the Town's financial activities.

The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplemental information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources (if any), and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other indicators of the Town's financial position should be taken into consideration, such as the change in the Town's property tax base and condition of the Town's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.) in order to more accurately assess the overall financial condition of the Town.

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the Town's activities into two types:

Governmental Activities. Most of the Town's basic services are reported here, including general government, police protection, planning for future land use, traffic control, building inspection, public health, neighborhood integrity, park and recreational activities, and cultural events. Property taxes, sales taxes, franchise fees and lottery revenue provide the majority of the financing for these activities.

Business-Type Activities. Activities for which the Town charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The Town's business-type activities include water distribution and sewer collection.

Fund Financial Statements

The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the Town's most significant activities. All of the funds of the Town can be divided into two categories: governmental funds and proprietary fund.

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

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental fund financial statements.

The Town maintains two individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund.

Proprietary Funds. When the Town charges customers for services it provides, the activities are generally reported in proprietary funds. The Town Water/Sewer Fund is reported as a Business-Type Activity – Enterprise Fund.

The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its water and sewer operations. These services are primarily provided to outside or nongovernmental customers.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, the Town adopts an annual appropriated budget for its General Fund and for its Proprietary Fund. A budgetary comparison schedule has been provided for the General Fund and the Water/Sewer Fund to demonstrate compliance with this budget.

Government-Wide Financial Analysis

Total assets of the Town at December 31, 2019 were $3,685,321 and deferred outflows were $106,288, while total liabilities were $646,585. Total deferred inflows of resources were $75,541, resulting in a net position balance of $3,069,483.

The largest portion of the Town's net position, $2,592,302 (84.45%), reflects its net investment in capital assets (land and improvements, buildings, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2019 AND 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 293,835	$ 280,017	$ 196,321	$ 229,332	$ 490,156	$509,349
Capital assets	503,795	511,132	2,691,370	2,813,835	3,195,165	3,324,967
Total assets	797,630	791,149	2,887,691	3,043,167	3,685,321	3,834,316
Deferred Outflows	106,288	48,580	-	-	106,288	48,580
Current liabilities	11,377		84,215	85,398	95,592	108,755
Long term liabilities	-	23,357	522,916	602,863	522,916	602,863
Net Pension liabilities	28,077	-	-	-	28,077	-
Total liabilities	39,454	23,357	607,131	688,261	646,585	711,618
Deferred inflows of resources	75,541	82,190	-	-	75,541	82,190
Net position –						
Net investment in capital assets	503,795	511,132	2,088,507	2,131,800	2,592,302	2,642,932
Restricted	38,025	58,823	-	-	38,025	58,823
Unrestricted	247,103	164,227	192,053	223,106	439,156	387,333
Total net position	$ 788,923	$ 734,182	$2,280,560	$ 2,354,906	$ 3,069,483	$3,089,088

At the end of the current year, the Town is able to report positive balances in all categories of net position. For detail of the Statement of Net Position, reference page 3 and 4 of the Basic Financial Statements.

A condensed statement of activities for the years ended December 31, 2019 and 2018 follows:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues -						
Charges for Services	$ 83,938	$ 64,883	$ 367,007	$ 392,214	$ 450,945	$ 457,097
Operating grants and contributions	73,511	71,626	-	-	73,511	71,626
Capital grants and contributions	-	-	-	-	-	-
General revenues –						
Property taxes	68,850	66,553	-	-	68,850	66,553
Sales and use taxes	389,514	327,821	-	-	389,514	327,821
Other taxes	47,136	41,239	-	-	47,136	41,239
Payment in lieu of taxes	3,205	2,261	-	-	3,205	2,261
Unrestricted Interest	1,134	413	922	422	2,056	835
Gain on Disposal of assets	-	-	-	8,200	-	8,200
Other	1,701	1,710	-	-	1,701	1,710
Total revenues	668,989	576,506	367,929	400,836	1,036,918	977,342
Expenses –						
General government	161,250	168,187	-	-	161,250	168,187
Public safety	303,413	283,773	-	-	303,413	283,773
Public works	118,566	134,735	-	-	118,566	134,735
Culture and recreation	5,274	8,654	-	-	5,274	8,654
Health and welfare	25,745	24,161	-	-	25,745	24,161
Interest	-	-	-	-	-	-
Water and sewer	-	-	442,275	393,644	442,275	393,644
Total expenses	614,248	619,510	442,275	393,644	1,056,523	1,013,154
Change in net position	54,741	(43,004)	(74,346)	7,192	(19,605)	(35,812)
Net position, January 1	734,182	777,186	2,354,906	2,347,714	3,089,088	3,124,900
Net position, December 31	$ 788,923	$ 734,182	$ 2,280,560	$ 2,354,906	$ 3,069,483	$3,089,088

Governmental Activities

Net position increased $54,741. Key revenue and expense transactions are as follows:

- Total revenues increased approximately $92,483 over the prior year.
- Property tax revenues increased approximately $2,297.
- Sales tax revenues increased approximately $61,693.
- Charges for services Increased approximately $19,055.

Total expenses for the year 2019 decreased by $5,262 when compared to the year 2018.

Business-Type Activities

Business-type activities decreased net position by $74,346. Key elements to the change in net position are as follows:

- Water and sewer revenues for the current year were $74,346 lower than expenses generated due in part to a decrease in water consumption.

Financial Analysis of the Government's Funds

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

As of the current year, the Town's governmental funds reported combined fund balances of $209,202. Approximately 79.71%, or $166,746, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending and has been classified into the following categories:

Restricted	$ 38,025
Assigned	-
Nonspendable	4,431

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance is $189,177. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures.

Unassigned fund balance represents 27.05% of total General Fund expenditures, while total fund balance represents 30.69% of total General Fund expenditures. The General Fund's fund balance increased $43,532 this year.

The Conservation Trust Fund balance increased $9,063.

Detail for Governmental Funds is found on pages 6-9 of the Basic Financial Statements.

Proprietary Funds: The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the Water and Sewer Fund at the end of the year amounted to $192,053. Total net position in the Water and Sewer Fund decreased $74,346.

General Fund Budgetary Highlights

Town Board of Trustees adopted the 2019 budget as outlined on page 32-36. Total revenues were $39,002 more than what was originally budgeted. This increase in revenues was in large part due to the increase in sales and use tax received. Total expenditures were $9,930 less than the original budget.

A complete budget comparison report appears on pages 32-36 of the financial statements.

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to $3,195,165 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, infrastructure, and construction in progress. The total decrease in the Town's investment in capital assets for the current year was 3.90%.

Long-Term Debt: Long-Term Liabilities decreased by $79,172 in 2019. The year-end balance was $602,863, which is comprised of a $200,000 interest-free loan (current balance of $55,000) with Colorado Water Resources and Development Authority, a $750,000 interest-free loan (current balance of $243,750) with Colorado Water Resources and Power Development; a $350,000 interest free loan with Colorado Water Resources and Power Development Authority (current balance of $251,442) and a capital lease obligation of $87,916 (current balance of $52,671).

Additional information on the Town's long-term debt can be found in Note III (D) on pages 22 and 23 of this report.

Subsequent Events

On August 26, 2019 the Town was issued a notice of violation by the Colorado Department of Public Health & Environment in regards to the Town's discharge permit. The Town was in failure to comply with all terms and conditions of the Permit and allowed discharge that contained effluents outside the parameter concentrations allowed. The Town has hired an engineering company to perform an evaluation of the facility and develop a plan that will comply with all the terms and conditions of the discharge permit. The Town is waiting on the approval of the plan from the State. The Town will be exploring various funding options including financing and grants in order to implement the plan.

As a result of the COVID-19 coronavirus and the economic uncertainties the Town may face it is unknown at this time the full financial impact of the operations of the Town. It is likely the town will be impacted by a decrease in property and sales tax revenues.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Town of La Jara, P.O. Box 723, La Jara, CO 81140-0273.

BASIC FINANCIAL STATEMENTS

TOWN OF LA JARA, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities	Business-Type Activity	Total
ASSETS			
Cash and cash equivalents	$ 53,815	$ 35,768	$ 89,583
Certificates of deposit	107,214	93,687	200,901
Receivables -			
Accounts	2,549	39,259	41,808
Property taxes	73,256	-	73,256
Other governments	78,906	-	78,906
Internal balances	(26,336)	26,336	-
Prepaid expenses	4,431	1,271	5,702
Capital assets, net of accumulated depreciation -			
Land	92,875	-	92,875
Buildings	164,454	8,724	173,178
Improvements	167,530	-	167,530
Infrastructure	24,739	179	24,918
Machinery and equipment	54,197	74,459	128,656
Collection and transmission system	-	2,608,008	2,608,008
Total capital assets	503,795	2,691,370	3,195,165
			-
TOTAL ASSETS	797,630	2,887,691	3,685,321
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	106,288	-	106,288
TOTAL DEFERRED OUTFLOWS OF RESOURCES	106,288	-	106,288
LIABILITIES			
Accounts payable and accrued expenses	11,377	4,268	15,645
Long-term liabilities -			
Due within one year -			
Capital lease	-	16,732	16,732
Notes	-	63,215	63,215
Due in more than one year -			
Capital lease	-	35,939	35,939
Notes	-	486,977	486,977
Net pension liability	28,077	-	28,077
TOTAL LIABILITIES	39,454	607,131	646,585
DEFERRED INFLOWS OF RESOURCES			
Property taxes	73,256	-	73,256
Pension-related	2,285	-	2,285
TOTAL DEFERRED INFLOWS OF RESOURCES	75,541	-	75,541

The accompanying notes are an integral part of this statement.

TOWN OF LA JARA, COLORADO
STATEMENT OF NET POSITION (Cont'd.)
DECEMBER 31, 2019

	Governmental Activities	Business-Type Activity	Total
NET POSITION			
Net investment in capital assets	$ 503,795	$ 2,088,507	$ 2,592,302
Restricted -			
Tabor	18,000	-	18,000
Parks projects	20,025	-	20,025
Unrestricted	247,103	192,053	439,156
TOTAL NET POSITION	$ 788,923	$ 2,280,560	$ 3,069,483

The accompanying notes are an integral part of this statement.

TOWN OF LA JARA, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contribution
GOVERNMENTAL ACTIVITIES				
General government	$ 161,250	$ 11,543	$ 1,056	$ -
Public safety	303,413	72,395	-	-
Public works	118,566	-	63,405	-
Health and welfare	25,745	-	-	-
Culture and recreation	5,274	-	9,050	-
TOTAL GOVERNMENTAL ACTIVITIES	614,248	83,938	73,511	-
BUSINESS-TYPE ACTIVITY				
Water and sewer	442,275	367,007	-	-
TOTAL BUSINESS-TYPE ACTIVITY	442,275	367,007	-	-
TOTAL	$ 1,056,523	$ 450,945	$ 73,511	$ -

General revenues -
Property taxes
Sales and use taxes
Other taxes
Payment in lieu of taxes
Unrestricted interest earnings
Other
Total general revenues

Change in net position

Net position, January 1

Net position, December 31

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activity	Total
$ (148,651)	$ -	$ (148,651)
(231,018)	-	(231,018)
(55,161)	-	(55,161)
(25,745)	-	(25,745)
3,776	-	3,776
(456,799)	-	(456,799)
-	(75,268)	(75,268)
-	(75,268)	(75,268)
(456,799)	(75,268)	(532,067)
68,850	-	68,850
389,514	-	389,514
47,136	-	47,136
3,205	-	3,205
1,134	922	2,056
1,701	-	1,701
511,540	922	512,462
54,741	(74,346)	(19,605)
734,182	2,354,906	3,089,088
$ 788,923	$ 2,280,560	$ 3,069,483

TOWN OF LA JARA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Conservation Trust Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 38,215	$ 15,600	$ 53,815
Certificates of deposit	107,214	-	107,214
Receivables -			
Accounts	2,549	-	2,549
Property taxes	73,256	-	73,256
Other governments	78,906	-	78,906
Due from other funds	-	4,425	4,425
Prepaid items	4,431	-	4,431
TOTAL ASSETS	$ 304,571	$ 20,025	$ 324,596
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities -			
Accounts payable	$ 11,377	$ -	$ 11,377
Due to other funds	30,761	-	30,761
Total liabilities	42,138	-	42,138
Deferred inflows of resources			
Property taxes	73,256	-	73,256
	73,256	-	73,256
Fund balances -			
Nonspendable	4,431	-	4,431
Restricted	18,000	20,025	38,025
Committed	-	-	-
Assigned	-	-	-
Unassigned	166,746	-	166,746
Total fund balances	189,177	20,025	209,202
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 304,571	$ 20,025	$ 324,596

The accompanying notes are an integral part of this statement.

TOWN OF LA JARA, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Amounts reported for governmental activities are different because:

Total fund balances - governmental funds		$ 209,202
Capital assets used in governmental activities are not financial resources and are not reported in governmental funds		
The cost of capital assets is	1,354,496	
Accumulated depreciation is	(850,701)	503,795
Recognition and measurement of the net pension asset, together with pension-related deferred outflows of resources and deferred inflows of resources in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting are not financial resources and, therefore, are not reported in governmental funds		
Net pension liability	(28,077)	
Deferred outflows of resources	106,288	
Deferred inflows of resources	(2,285)	75,926
Total net position - governmental activities		$ 788,923

The accompanying notes are an integral part of this statement.

TOWN OF LA JARA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General Fund	Conservation Trust Fund	Total Governmental Funds
REVENUES			
Property taxes	$ 68,850	$ -	$ 68,850
Sales and use taxes	389,514	-	389,514
Specific ownership taxes	25,538	-	25,538
Franchise taxes	21,598	-	21,598
Payments in lieu of taxes	3,205	-	3,205
Fees and fines	72,395	-	72,395
Licenses and permits	11,543	-	11,543
Intergovernmental	64,461	9,050	73,511
Interest earnings	1,121	13	1,134
Miscellaneous	1,701	-	1,701
TOTAL REVENUES	659,926	9,063	668,989
EXPENDITURES			
Current -			
General government	140,573	-	140,573
Public safety	297,939	-	297,939
Public works	113,091	-	113,091
Health and welfare	25,745	-	25,745
Capital outlay	39,046	-	39,046
TOTAL EXPENDITURES	616,394	-	616,394
NET CHANGE IN FUND BALANCES	43,532	9,063	52,595
FUND BALANCES, January 1	145,645	10,962	156,607
FUND BALANCES, December 31	$ 189,177	$ 20,025	$ 209,202

The accompanying notes are an integral part of this statement.

TOWN OF LA JARA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Amounts reported for governmental activities are different because:

Total net change in fund balances - governmental funds		$ 52,595
Capital outlays are reported in governmental funds as expenditures. However, for governmental activities these costs are reported in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay		
Capital outlay	39,046	
Depreciation expense	(46,383)	(7,337)
Recognition and measurement of the changes in the net pension asset, together with changes in the pension-related deferred outflows of resources and deferred inflows of resources prepared using the economic resources measurement focus and the accrual basis of accounting are not financial resources and, therefore, are not reported in governmental funds as such. Rather, pension expenditures are reported in governmental funds when paid		
Pension expense	(3,504)	
Pension expenditures	12,987	9,483
Change in net position - governmental activities		$ 54,741

The accompanying notes are an integral part of this statement.

TOWN OF LA JARA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019

	Business-Type Activity - Enterprise Fund
	Water/Sewer Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 35,768
Certificates of deposit	93,687
Due from other funds	26,336
Receivables -	
Accounts	39,259
Prepaid expenses	1,271
TOTAL CURRENT ASSETS	196,321
NONCURRENT ASSETS	
Capital assets -	
Buildings	14,906
Infrastructure	10,683
Collection and transmission system	4,316,985
Machinery and equipment	204,750
Accumulated depreciation	(1,855,954)
Total capital assets	2,691,370
TOTAL NONCURRENT ASSETS	2,691,370
TOTAL ASSETS	$ 2,887,691

The accompanying notes are an integral part of this statement.

	Business-Type Activity - Enterprise Fund
	Water/Sewer Fund
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 4,268
Capital lease	16,732
Notes payable	63,215
TOTAL CURRENT LIABILITIES	84,215
NONCURRENT LIABILITIES	
Capital lease	35,939
Notes payable	486,977
TOTAL NONCURRENT LIABILITIES	522,916
TOTAL LIABILITIES	607,131
NET POSITION	
Net investment in capital assets	2,088,507
Unrestricted	192,053
TOTAL NET POSITION	$ 2,280,560

TOWN OF LA JARA, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

	Business-Type Activity - Enterprise Fund Water/Sewer Fund
OPERATING REVENUES	
Charges for services	$ 365,812
Miscellaneous income	1,195
TOTAL OPERATING REVENUES	367,007
OPERATING EXPENSES	
Salaries	157,414
Payroll taxes and employee benefits	25,252
Professional services	23,886
Utilities	22,722
Monitoring fees	8,313
Office supplies	11,126
Repairs and maintenance	32,512
Gas and oil	5,138
Insurance	4,670
Training	1,262
Miscellaneous	3,693
Depreciation	142,955
TOTAL OPERATING EXPENSES	438,943
OPERATING INCOME (LOSS)	(71,936)
NONOPERATING REVENUE (EXPENSE)	
Interest income	922
Interest expense	(3,332)
TOTAL NONOPERATING REVENUE (EXPENSE)	(2,410)
CHANGE IN NET POSITION	(74,346)
TOTAL NET POSITION, January 1	2,354,906
TOTAL NET POSITION, December 31	$ 2,280,560

The accompanying notes are an integral part of this statement.

TOWN OF LA JARA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

	Business-Type Activity - Enterprise Fund
	Water/Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 366,987
Cash paid for goods and services	(141,803)
Cash paid to employees	(157,414)
Cash received for interfund services	(2,250)
NET CASH PROVIDED BY OPERATING ACTIVITIES	65,520
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on notes payable	(63,215)
Principal paid on capital lease	(15,957)
Interest charges	(3,332)
Acquisition of capital assets	(20,490)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING	(102,994)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings received	84
NET CASH PROVIDED BY INVESTING ACTIVITIES	84
NET DECREASE IN CASH AND CASH EQUIVALENTS	(37,390)
CASH AND CASH EQUIVALENTS, January 1	73,158
CASH AND CASH EQUIVALENTS, December 31	$ 35,768
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (71,936)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities -	
Depreciation	142,955
Changes in assets and liabilities -	
Accounts receivable	(20)
Prepaids	(1,271)
Due from other funds	(2,250)
Accounts payable	(1,958)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 65,520

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of La Jara, Colorado (the Town) operates as a statutory town under the laws of the state of Colorado and is governed by an independently elected mayor and six trustees. The Town was organized in March 1902 and provides the following services: public safety, highway and street maintenance, culture and recreation, general government, and water and sewer.

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

A. REPORTING ENTITY

The reporting entity consists of the Town and, if applicable, organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the Town. Consideration is also given to including other organizations in the reporting entity if they are considered fiscally dependent or exclusion from the Town's financial statements would render those financial statements misleading.

Based on these criteria, no potential component units have been included in the Town's reporting entity, nor is the Town a component unit of another entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all the activities of the Town. 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 the business-type activity, which relies to a significant extent on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or activity. Program revenues include, if applicable, (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or activity; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, sales and use taxes, specific ownership and other taxes or other unrestricted revenues.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Separate fund financial statements are provided for governmental funds and the proprietary fund. The major individual governmental fund and the major individual enterprise fund are reported in separate columns.

The government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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 fund financial statements for the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied, while grants and similar items are recognized as revenue when all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenue to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales and use taxes, specific ownership taxes, grant and entitlement revenues, interest and charges for services are considered revenues susceptible to accrual. Contributions and miscellaneous revenue are recorded as revenues when received in cash because they are not generally measurable until that time. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance and, as such, entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met.

Business-type activities and the proprietary fund are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund is included on the statement of net position. The proprietary fund-type operating statement presents increases (revenues) and decreases (expenses) in net total position. The proprietary fund distinguishes 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 operation. The principal operating revenues of the Town's water and sewer fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

GOVERNMENTAL FUNDS

The Town reports the following major governmental fund:

- The general fund is the primary operating fund of the Town and is always classified as a major fund. The general fund is used to account for all financial resources of the Town except those required to be accounted for in a separate fund. Major revenue sources include property taxes, sales and use taxes, franchise taxes, specific ownership taxes and intergovernmental revenues. Primary expenditures include public safety, general government and public works.

PROPRIETARY FUND

The following is a description of the major proprietary fund of the Town:

- The water and sewer fund accounts for the operations of the Town's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system, along with accumulation of resources for the payment of principal on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

OTHER FUND TYPES

The Town also reports the following fund type:

- Special revenue funds are used to account for revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. The Town's special revenue fund is the conservation trust fund, which is also presented as a major fund.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and interest and non-interest-bearing demand deposits.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when acquired, if held by the Town, are considered cash equivalents.

E. PROPERTY TAXES

Property taxes were levied on December 13, 2019 based on the assessed value of property as certified by the County Assessor by the previous October 10. Assessed values are a percentage of actual values. A reappraisal of all property must be made every two years. The last reappraisal date was completed in 2019 for the 2018 base year specified by state law.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

The taxes levied on December 13, 2019 reflect 2019 property taxes that will be collected in 2020 by the Conejos County Treasurer. Taxes collected by the Treasurer are remitted to the Town on a monthly basis. These taxes are due January 2, 2019 and may be paid in two installments (February 28 and June 15) or they may be paid in full April 30. Taxes not paid in accordance with this schedule accrue interest and penalty charges and are subject to liens if not paid by November, 2019.

F. INVENTORY

Inventory consists of fuel and is reported at the lower of cost (first-in, first-out) basis or market.

G. CAPITAL ASSETS

Capital assets, which include land, buildings, improvements, infrastructure, machinery and equipment, and collection and transmission systems are reported in the applicable governmental or business-type activity columns on the government-wide financial statements. The capitalization level was established at $5,000 and the criteria for capitalization also includes (1) increasing the capacity or operating efficiency or (2) extending the useful life of the asset. These levels and criteria were set so as to maintain a balance between accountability and managing the costs of recording and tracking these assets. Capital assets are defined as assets with an initial individual cost or estimated cost that equals or exceeds the limits identified above and have a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at acquired value at the time received. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset 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 the business-type activity is included as part of the capitalized value of the assets constructed when material. Construction-period interest recorded in proprietary funds is no longer capitalized beginning in 2018 due to the Town's adoption of GASB statement No. 89. No interest was capitalized during the year ended December 31, 2019.

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

	Governmental Activity	Business-Type Activity
Buildings	10-20	25
Improvements	10-20	-
Infrastructure	15	15
Collection and transmission system	-	15-50
Machinery and equipment	5-20	5-15

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

H. COMPENSATED ABSENCES

It is the Town's policy to permit employees to accrue earned but unused vacation and sick pay benefits. However, the vacation and sick pay benefits do not vest nor accumulate and thus are not recognized as an expense or liability in the government-wide or proprietary fund financial statements.

I. LONG-TERM LIABILITIES

In the government-wide statement of net position and the fund financial statements for the proprietary fund, long-term debt and other similar long-term obligations, if any, are reported as liabilities in the applicable statement of net position.

In the governmental fund financial statements, bond premium and discounts, if any, as well as bond insurance and issue costs, are recognized during the current period. The face amount of the debt issue, along with the related discount or premium, if any, is reported as other financing sources while debt insurance and issue costs are reported as debt service expenditures.

J. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire and Police Pension Association statewide defined benefit pension plan (FPPA Plan) and additions to and deductions from the FPPA plan's fiduciary net position have been determined on the same basis as they are reported by FPPA's plan. 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.

K. FUND EQUITY

Governmental funds report fund balance in classifications based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for the Town's governmental funds consists of the following:

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.

- Restricted – includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.

- Committed – includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the Town's board of trustees. Commitments may be modified or changed only by the Town's board of trustees approving a new resolution.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

- Assigned – includes amounts intended to be used by the Town for specific purposes that are neither restricted nor committed. Intent is expressed by the Town's manager to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

- Unassigned – this is the residual classification for the general fund.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

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

- Net investment in capital assets – this classification consists of capital assets net of accumulated depreciation and reduced by outstanding related debt that is attributed to the acquisition, construction or improvement of capital assets.

- Restricted net position – this classification consists of restrictions created by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation and constitutional provisions.

- Unrestricted net position – this classification represents the remainder of net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

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

L. INTERFUND TRANSACTIONS

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

M. ESTIMATES

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY PRINCIPLES

The Town adheres to the following procedures in establishing its budgets.

On or before October 15 of each year, the Town manager submits to the board of trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of trustees to obtain taxpayer comments. The Town adopts budgets for all funds and the Town uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets for all funds. In addition, appropriations lapse at the end of the year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of trustees may amend the original adopted budget during the year by passing a new resolution to reflect current needs and during 2019 the expenditure estimates were not amended.

For each legally adopted annual operating budget, budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed total appropriations for that fund.

III. DETAILED NOTES FOR ALL FUNDS

A. CASH, CASH EQUIVALENTS AND CERTIFICATES OF DEPOSIT

Cash and cash equivalents are summarized as follows:

Cash on hand	$ 1,971
Demand deposits	87,612
	$ 89,583

DEPOSITS

At December 31, 2019, the carrying amount of the Town's deposits, including certificates of deposit, was $288,513 and the bank balance was $298,202, which was entirely insured in banks qualified under the Public Deposit Protection Act. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The fair value of the collateral that each institution pledges must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Credit Risk—The Town has no formal policy on managing credit risk; however, the Town is subject to the provisions of Colorado Revised Statutes 24-75-601, which is entitled "Concerning Investment in Securities by Public Entities". This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, bankers' acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed insurance contracts and U.S. dollar-denominated corporate or bank debt. The statute also includes a provision limiting any investment to a five-year maturity unless the governing body authorizes a longer period.

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

B. INTERFUND RECEIVABLES/PAYABLES

The following interfund receivables and payables are included in the fund financial statements at December 31, 2019:

	Interfund Receivable	Interfund Payable
Governmental funds –		
General fund	$ -	$ 30,761
Conservation trust fund	4,425	-
Enterprise fund –		
Water and sewer fund	26,336	-
	$ 30,761	$ 30,761

The amounts reported as due from other funds and due to other funds are reflective of the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts reflected as due from other funds are expected to be collected in the subsequent year.

C. CAPITAL ASSETS

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

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Governmental activities –				
Nondepreciable assets –				
Land	$ 92,875	$ -	$ -	$ 92,875
Total capital assets not being depreciated	92,875	-	-	92,875
Depreciable assets –				
Buildings	448,962	-	-	448,962
Improvements	262,757	7,900	-	270,657
Infrastructure	10,683	25,300	-	35,983
Machinery and equipment	500,173	5,846	-	506,019
Total capital assets being depreciated	1,222,575	39,046	-	1,261,621

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Less: accumulated depreciation for –				
Buildings	$ (265,969)	$ (18,539)	$ -	$ (284,508)
Improvements	(91,657)	(11,470)	-	(103,127)
Infrastructure	(10,146)	(1,098)	-	(11,244)
Machinery and equipment	(436,546)	(15,276)	-	(451,822)
Total accumulated depreciation	(804,318)	(46,383)	-	(850,701)
Capital assets being depreciated, net	418,257	(7,337)	-	410,920
Total governmental activities capital assets, net	$ 511,132	$ (7,337)	$ -	$ 503,795
Business-type activity –				
Depreciable assets –				
Collection and transmission system	$ 4,305,445	$ 11,540	$ -	$ 4,316,985
Building	5,956	8,950	-	14,906
Infrastructure	10,683	-	-	10,683
Machinery and equipment	204,750	-	-	204,750
Total capital assets being depreciated	4,526,834	20,490	-	4,547,324
Less: accumulated depreciation for –				
Collection and transmission system	(1,575,650)	(133,327)	-	(1,708,977)
Building	(5,956)	(226)	-	(6,182)
Infrastructure	(10,148)	(356)	-	(10,504)
Machinery and equipment	(121,245)	(9,046)	-	(130,291)
Total accumulated depreciation	(1,712,999)	(142,955)	-	(1,855,954)
Capital assets being depreciated, net	2,813,835	(122,465)	-	2,691,370
Total business-type activity capital assets, net	$ 2,813,835	$ (122,465)	$ -	$ 2,691,370

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

Depreciation expense was charged to functions/programs as follows:

Governmental activities –	
General government	$ 20,677
Public safety	14,957
Public works	5,475
Culture and recreation	5,274
Total depreciation expense – governmental activities	$ 46,383
Business-type activity –	
Water and sewer	$ 142,955
Total depreciation expense business-type activity	$ 142,955

D. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2019:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019	Due Within One Year
Business-type activity –					
Notes payable –					
Colorado Water Resources and Power Development Authority	$ 65,000	$ -	$ (10,000)	$ 55,000	$ 10,000
Colorado Water Resources and Power Development Authority	281,250	-	(37,500)	243,750	37,500
Colorado Water Resources and Power Development Authority	267,157	-	(15,715)	251,442	15,715
Obligation under capital lease	68,628	-	(15,957)	52,671	16,732
	$ 682,035	$ -	$ (79,172)	$ 602,863	$ 79,947

These obligations are serviced by the water and sewer proprietary fund.

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

The following is a description of each individual issue for the business-type activity.

Notes payable

$200,000 interest-free loan with Colorado Water Resources and Power Development Authority series 2005; due in semi-annual installments of $5,000 through May, 2025; debt is serviced by the water and sewer fund and on which revenue is pledged as collateral	$ 55,000
$750,000 interest-free loan with Colorado Water Resources and Power Development Authority, series 2006; due in semi-annual installments of $18,750 through May, 2026; debt is serviced by the water and sewer fund and on which revenue is pledged as collateral	243,750
$350,000 interest-free loan with Colorado Water Resources and Power Development Authority, series 2015; due in semi-annual installments of $7,858 through November, 2035; debt is serviced by the water and sewer fund and on which revenue is pledged as collateral	251,442
	550,192
Obligation under capital lease	
$87,916 of obligation under capital lease; interest rate of 4.75%; payable in annual installments of $19,289, including interest through May 2022; lease payments began May 2018; debt is serviced by the water and sewer fund	52,671
	52,671
Total Business-type Activity	$ 602,863

Debt Covenants

Debt covenants require that the water and sewer fund maintain a net income to debt ratio of 1.10 after excluding depreciation. For the year ended December 31, 2019, the water and sewer fund's net income to debt ratio was 1.09 and did not meet the debt covenant requirements.

The debt service requirements to maturity for these obligations are as follows:

	Notes Payable		
Year ended December 31,	Principal	Interest	Total
2020	$ 63,215	$ -	$ 63,215
2021	63,215	-	63,215
2022	63,215	-	63,215
2023	63,215	-	63,215
2024	63,215	-	63,215
2025-2029	139,826	-	139,826
2030-2034	78,576	-	78,576
2035	15,715	-	15,715
	$ 550,192	$ -	$ 550,192

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

	Capital Lease		
Year ended December 31,	Principal	Interest	Total
2020	$ 16,732	$ 2,557	$ 19,289
2021	17,544	1,745	19,289
2022	18,395	893	19,288
	$ 52,671	$ 5,195	$ 57,866

E. DEFINED BENEFIT PENSION PLAN

General Information About the Pension Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

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

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10.0 percent and 8 percent, respectively, of base salary for a total contribution rate of 18.0 percent in 2018. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22.0 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 5 percent and 4 percent, respectively, of base salary for a total contribution rate of 9 percent in 2018. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the pension plan from the Town of LaJara were $12,987 for the year ended December 31, 2019.

<u>Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension</u>

At December 31, 2019, the Town of LaJara reported a liability of $28,077 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The Town of LaJara's proportion of the net pension liability (asset) was based on the Town of LaJara's contributions to the SWDB for the calendar year 2018 relative to the total contributions of participating employers to the SWDB.

At December 31, 2018, the Town of LaJara's proportion was 0.022 percent, which is unchanged from its proportion measured as of December 31, 2017.

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

For the year ended December 31, 2019, the Town of La Jara recognized pension expense of $3,504. At December 31, 2019, the Town of La Jara 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	$ -	$ 300
Net difference between projected and actual earnings on pension plan investments	22,087	-
Difference between actual and expected experience	36,076	-
Change in assumptions	27,192	-
Change in proportionate share	7,129	1,966
Differences between contributions recognized and proportionate share of contributions	817	19
Contributions subsequent to the measurement date	12,987	-
	$ 106,288	$ 2,285

$12,987 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, 2020. 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,	
2020	$ 16,953
2021	12,342
2022	10,632
2023	17,055
2024	8,725
Thereafter	25,309
	$ 91,016

Actuarial assumptions. The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry age normal
Amortization method	Level % of payroll, open
Amortization period	30 years
Long-term investment rate of return *	7.00 – 7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of living adjustments (COLA)	0.00 percent
*Includes inflation at	2.5 percent

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

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

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retires is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Illiquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which established the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the Town of La Jara's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower and one percent higher:

	1% Decrease (6.00%)	Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	$ 108,880	$ 28,077	$ 38,947

Pension plan fiduciary net position. Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org.

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

F. NET POSITION

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2019 for governmental activities is as follows:

Tabor	$ 18,000
Parks projects	20,025
	$ 38,025

Restricted for tabor – This represents approximately 3% of the Town's fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the Town's net position can be used for declared emergencies only and the Town must maintain 3% or more of its fiscal year spending in this account.

Restricted for parks projects – The amount reported in this category represents the fund balance of the Town's conservation trust special revenue fund that is restricted for parks projects under state law.

G. FUND BALANCES

At December 31, 2019, fund balances for governmental funds consist of the following:

	Governmental Activities		
	General Fund	Conservation Trust Fund	Total
Nonspendable –			
Prepaid items	$ 4,431	$ -	$ 4,431
Restricted –			
Tabor	18,000	-	18,000
Parks projects	-	20,025	20,025
Unassigned	166,746	-	166,746
Total fund balances	$ 189,177	$ 20,025	$ 209,202

IV. OTHER NOTE DISCLOSURES

A. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; property and casualty, errors and omissions, injuries to employees, and health claims. Risks of loss from torts, errors and omissions, property and casualty, and injuries to employees are covered by the Town's participation in the Colorado Intergovernmental Risk Pool (CIRSA) which is a separate and independent governmental public entity risk pool formed through intergovernmental agreement by member municipalities to provide defined coverage of covered risks. The membership agreement provides that the pool be self-sustaining through member premiums and reinsure with commercial companies for claims in excess of identified limits.

Employer health claims are covered by commercial insurance. Settlement claims for each of the last three years did not exceed insurance coverage amounts in areas where commercial insurance is used to cover the risk of loss.

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

New Hire Fire and Police Death and Disability

The Town contributes to the statewide, cost-sharing, multiple-employer death and disability plan administered by the Colorado Fire and Police Pension Association (FPPA). The statewide plan provides death and disability benefits for those new hires employed after January 1, 1997 and their beneficiaries. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes the statewide death and disability plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 770-3772 in the Denver metro area or 1-800-332-3772 from outside the metro area.

Plan members and the Town are required to contribute at a rate set by statute. The contribution requirements of plan members of the Town are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for members is 2.70% of covered salary and for the Town the contribution rate is 0.0090% of covered salary. The Town's contributions to the statewide death and disability plan for the years ended December 31, 2019, 2018 and 2017 were $0, $0, and $0, equal to its required contributions for each year.

Subsequent Event

The Town expects the economic uncertainties resulting from the COVID-19 pandemic to negatively impact the operating results of the SWDB and SWD&D plans. However, the related financial impact and duration cannot be reasonably estimated at this time.

IV. OTHER NOTE DISCLOSURES (Cont'd.)

C. TAX ABATEMENTS

The Town is authorized under Colorado Revised Statutes to negotiate incentive payments for any business personal property taxes for any taxpayer who establishes a new business facility or expands an existing facility within the Town.

A business real property tax abatement agreement was entered into in 2015 with developers of a restaurant chain. Per the agreement, the developers will pay 25% of the general property tax that would otherwise be levied by the Town for the tax years of 2016 and 2017, 50% for the tax year of 2018, and 75% for the tax of 2019. Tax abatements totaling $8,054 for tax years 2016, 2017 and 2018 were paid to the developer under this agreement during the year ended December 31, 2019. The 2019 assessed tax payment due in 2020 will require an additional tax abatement payment in 2020 representing the final payment under this agreement.

D. OTHER ITEMS

Colorado voters passed an amendment to the state constitution in November, 1992 which contains several limitations, including revenue raising, spending abilities and other specific requirements affecting state and local governments. The amendment, commonly known as the Tabor amendment, is complex and subject to judicial interpretation; however, the Town believes it is in compliance with the requirements of the amendment. The Town has made certain interpretations of the amendment's language in order to determine its compliance.

E. SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operations of the Town, including receipt of property and sales tax revenues. While the situation is expected to be temporary, the related financial impact and duration cannot be reasonably estimated at this time.

The Town was issued a notice of violation by the Colorado Department of Public Health & Environment on August 26, 2019 in relation to the Town's discharge permit. The Town was in failure to comply with all terms and conditions of the Permit and allowed discharge that contained effluents outside of parameter concentrations allowed.

The Town responded to the notice of violation on September 24, 2019 and has hired an engineering company to perform an evaluation of the facility and recommend measures to ensure that adequate treatment is provided such that the facility complies with all terms and conditions of the Town's discharge permit. As of the issuance of this report, a plan has not yet been accepted or approved by the State and associated costs have not yet been determined. The Town will continue to work with the State in conjunction with its engineering firm to formulate a plan. The Town is also exploring various funding options that may include financing and grants as the Town will not likely have sufficient current resources to implement a plan.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LA JARA, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual Budget Basis	Variance With Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 74,500	$ 74,500	$ 68,850	$ (5,650)
Sales and use taxes	360,180	360,180	389,514	29,334
Specific ownership taxes	18,750	18,750	25,538	6,788
Franchise and other taxes	28,475	28,475	24,803	(3,672)
Fees and fines	80,232	80,232	72,395	(7,837)
Licenses and permits	11,290	11,290	11,543	253
Intergovernmental -				
Highway users tax	41,210	41,210	57,187	15,977
Other	4,000	4,000	7,274	3,274
Interest	313	313	1,121	808
Other	1,974	1,974	1,701	(273)
TOTAL REVENUES	620,924	620,924	659,926	39,002
EXPENDITURES				
Current -				
General government -				
Town manager -				
Salary	24,000	24,000	24,000	-
Payroll taxes and benefits	8,634	8,634	5,284	3,350
Office	1,500	1,500	1,814	(314)
Travel	4,000	4,000	3,303	697
Repairs and maintenance	1,000	1,000	778	222
Other	3,000	3,000	2,052	948
Capital outlay	-	-	5,846	(5,846)
Other general government -				
Salaries	31,600	31,600	25,303	6,297
Payroll taxes and benefits	13,155	13,155	8,182	4,973
Municipal judge	6,000	6,000	6,000	-
Elections	-	-	24	(24)
Professional services	12,000	12,000	12,284	(284)
Office	8,000	8,000	8,914	(914)
Membership fees	2,800	2,800	2,455	345
Insurance	6,920	6,920	6,797	123
Supplies	3,000	3,000	1,969	1,031
Travel/training	11,100	11,100	10,054	1,046
Telephone	1,100	1,100	1,072	28
Printing	2,000	2,000	282	1,718

TOWN OF LA JARA, COLORADO
BUDGETARY COMPARISON SCHEDULE (Cont'd.)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual Budget Basis	Variance With Final Budget Positive (Negative)
EXPENDITURES (Cont'd.)				
Current -				
Other general government -				
Utilities	5,600	5,600	4,442	1,158
County treasurer fees	2,500	2,500	1,679	821
Other	4,900	4,900	13,885	(8,985)
Capital outlay	2,500	2,500	7,900	(5,400)
	155,309	155,309	154,319	6,390
Public safety -				
Salaries	194,800	194,800	185,374	9,426
Payroll taxes and benefits	57,020	57,020	49,542	7,478
Gas/oil	6,600	6,600	6,071	529
Utilities	3,000	3,000	2,744	256
Repairs and maintenance	3,000	3,000	2,980	20
Operations	13,000	13,000	14,817	(1,817)
Telephone	3,396	3,396	3,443	(47)
Insurance	11,756	11,756	11,489	267
Uniforms & cleaning	2,400	2,400	1,476	924
Travel	3,000	3,000	272	2,728
Dispatch	18,000	18,000	18,174	(174)
Training	-	-	375	(375)
Fire prevention	500	500	830	(330)
Supplies	360	360	354	6
Other	100	100	(2)	102
Capital outlay	6,500	6,500	-	6,500
	323,432	323,432	297,939	25,493
Public works -				
Salaries	28,944	28,944	41,368	(12,424)
Payroll taxes and benefits	4,000	4,000	4,264	(264)
Streets	25,489	25,489	15,392	10,097
Street lights	17,550	17,550	16,398	1,152
Supplies	25,000	25,000	27,672	(2,672)
Gas/oil	3,000	3,000	3,266	(266)
Tree cutting	6,000	6,000	900	5,100
Insurance	2,680	2,680	2,703	(23)
Utilities	160	160	155	5
Uniforms	1,000	1,000	681	319
Telephone	360	360	292	68
Other	500	500	-	500
Capital outlay	-	-	25,300	(25,300)
	114,683	114,683	138,391	(23,708)

TOWN OF LA JARA, COLORADO
BUDGETARY COMPARISON SCHEDULE (Cont'd.)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual Budget Basis	Variance With Final Budget Positive (Negative)
EXPENDITURES (Cont'd.)				
Current -				
Health and welfare	27,500	27,500	25,745	1,755
TOTAL EXPENDITURES	620,924	620,924	616,394	9,930
NET CHANGE IN FUND BALANCE	-	-	43,532	43,532
FUND BALANCE, January 1	-	-	145,645	179,808
FUND BALANCE, December 31	$ -	$ -	$ 189,177	$ 223,340

TOWN OF LA JARA, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 7,200	$ 7,200	$ 9,050	$ 1,850
Interest	9	9	13	4
TOTAL REVENUES	7,209	7,209	9,063	1,854
EXPENDITURES				
Current/capital outlay -				
Parks projects	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	7,209	7,209	9,063	1,854
FUND BALANCE, January 1	4,857	4,857	10,962	6,634
FUND BALANCE, December 31	$ 12,066	$ 12,066	$ 20,025	$ 8,488

BUDGETARY INFORMATION

The Town of La Jara, Colorado (the Town) adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

On or before October 15, the district manager submits to the board of trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of trustees to obtain taxpayer comments. The Town adopts budgets for all funds. The general fund uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing its budget.

Expenditure estimates in the annual budget are enacted into law by the passage of an appropriation resolution. Budgetary control exists at the total fund level and encumbrance accounting is not employed as part of the budgetary process.

TOWN OF LA JARA, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FIRE AND POLICE PENSION ASSOCIATION
NEW HIRE FIRE AND POLICE PLAN
YEAR ENDED DECEMBER 31, 2019

	2018	2017	2016	2015	2014	2013
Town's proportion of the net pension liability (asset)	.022%	.022%	.025%	(0.031%)	(0.0282)%	(0.029)%
Town's proportionate share of the net pension liability (asset)	$ 28,077	$ (31,061)	$ 9,101	$ (541)	$ (31,826)	$ (24,948)
Town's covered payroll	143,891	126,413	128,900	148,875	126,433	120,810
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19.513%	(24.571%)	7.061%	(.363%)	(25.172%)	(20.651%)
Plan fiduciary net position as a percentage of the total pension liability	95.200%	106.300%	98.210%	100.100%	106.800%	105.800%

Note: This schedule is intended to present information for 10 years. Since the implementation of GASB 68 became effective for the year ended December 31, 2015, only six years of the required supplementary information is reported and additional years will be added as the information becomes available.

TOWN OF LA JARA, COLORADO
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION
NEW HIRE FIRE AND POLICE PLAN
YEAR ENDED DECEMBER 31, 2019

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 12,987	$ 11,511	$ 10,113	$ 14,312	$ 11,910	$ 10,115	$ 9,665
Contributions in relation to the contractually required contribution	(12,987)	(11,511)	(10,113)	(14,312)	(11,910)	(10,115)	(9,665)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 162,333	$ 143,891	$ 126,413	$ 128,900	$ 148,875	$ 126,433	$ 120,810
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Note: This schedule is intended to present information for 10 years. Since the implementation of GASB 68 became effective for the year ended December 31, 2015, only seven years of the required supplementary information is reported and additional years will be added as the information becomes available.

ADDITIONAL INFORMATION

ENTERPRISE FUND

TOWN OF LA JARA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER/SEWER FUND
YEAR ENDED DECEMBER 31, 2019

	Actual - Budget Basis				
	Water Activities	Sewer Activities	Total	Final Budget	Variance with Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES					
Service charges	$ 160,268	$ 198,545	$ 358,812	$ 445,585	$ (86,773)
Tap and connection fees	5,000	2,000	7,000	17,500	(10,500)
Interest	880	43	922	426	496
Other income	1,008	188	1,195	1,800	(605)
TOTAL REVENUES AND OTHER FINANCING SOURCES	167,155	200,775	367,929	465,311	(97,382)
EXPENDITURES					
Current -					
Salaries	78,707	78,707	157,414	149,400	(8,014)
Payroll taxes and employee benefits	12,574	12,678	25,252	30,896	5,644
Professional services	11,943	11,943	23,886	26,800	2,914
Utilities	19,642	3,080	22,722	23,080	358
Monitoring fees	1,800	6,513	8,313	10,819	2,506
Office supplies	5,678	5,448	11,126	13,900	2,774
Repairs and maintenance	24,030	8,482	32,512	116,862	84,350
Gas and oil	2,569	2,569	5,138	4,022	(1,116)
Insurance	2,004	2,666	4,670	6,768	2,098
Travel/training	783	479	1,262	2,400	1,138
Miscellaneous	3,555	138	3,693	5,416	1,723
Capital outlay	20,491	-	20,491	35,645	15,154
Debt service -					
Principal	17,978	61,194	79,172	63,256	(15,916)
Interest	1,666	1,666	3,332	-	(3,332)
TOTAL EXPENDITURES	203,420	195,563	398,983	489,264	90,281
NET CHANGE IN FUND BALANCE	$ (36,266)	$ 5,212	(31,054)	$ (23,953)	$ (187,663)
GAAP ADJUSTMENTS					
Depreciation			(142,955)		
Capital outlay			20,491		
Principal payments			79,172		
CHANGE IN NET POSITION			$ (74,346)		

OTHER SCHEDULES

LOCAL HIGHWAY FINANCE REPORT

City or County:

YEAR ENDING : December 2019

This Information From The Records Of (example - City of _ or County of

Prepared By:
Phone:

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	91,045
3. Other local imposts (from page 2)	2,268
4. Miscellaneous local receipts (from page 2)	72,381
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	165,695
B. Private Contributions	
C. Receipts from State government (from page 2)	79,456
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	245,151

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	38,904
2. Maintenance:	3,425
3. Road and street services:	
a. Traffic control operations	6,395
b. Snow and ice removal	1,789
c. Other	16,398
d. Total (a. through c.)	24,581
4. General administration & miscellaneous	
5. Highway law enforcement and safety	178,241
6. Total (1 through 5)	245,151
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	245,151

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	245,151	245,151		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2019

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	53,203
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	19,179
5. Specific Ownership &/or Other	2,268	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,268	h. Other	
c. Total (a. + b.)	2,268	i. Total (a. through h.)	72,381
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	53,919	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	25,538	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	25,538	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	79,456	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		34,246	34,246
(4). System Enhancement & Operation		4,658	4,658
(5). Total Construction (1) + (2) + (3) + (4)	0	38,904	38,904
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	38,904	38,904
			(Carry forward to page 1)

Notes and Comments: