

CITY OF LA JUNTA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2019

CITY OF LA JUNTA, COLORADO

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of La Junta, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of La Junta, Colorado, as of December 31, 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, analysis, pension schedules and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2020, on our consideration of the City of La Junta, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of La Junta, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of La Junta, Colorado's internal control over financial reporting and compliance



Hancock Froese & Company LLC

Rocky Ford, Colorado
May 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of The City of La Junta, Colorado (the "City") offers readers of the City's annual financial report this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

1. Assets of the City exceed its liabilities by \$64,118,687 in 2019 compared to \$63,387,622 in 2018. Of these amounts, the City's Business-type Activities were \$38,776,337 in 2019 compared to \$37,949,992 in 2018 and the City's Governmental Activities were \$25,342,350 in 2019 compared to \$25,437,630 in 2018. Unrestricted net position total was \$14,888,772 in 2019 compared to \$14,392,274 in 2018 and may be used to meet the City's on-going obligations.
2. By far, the largest portion of the City's net position is its net investment in capital assets. Net investment in capital assets was \$47,430,937 in 2019 compared to \$47,228,211 in 2018. The infrastructure consists of streets, bridges, and storm sewers. Estimated historical cost was used to initially value the infrastructure.
3. The City's debt for the enterprise funds is for the construction of a waste-water treatment facility, the construction of a reverse osmosis water treatment plant with associated raw water mains and water main across the Arkansas River and the construction of new water tanks. The City has outstanding loans with Colorado Water Resource and Power Development Authority of \$20,083,668 as of December 31, 2019 which includes the additional \$3,000,000 loan received in 2019 for the waste-water treatment facility. Also included in enterprise fund debt are post closure costs on landfill and compensated absences for a total noncurrent liability balance reported of \$21,283,998 in 2019 compared to \$19,729,676 in 2018. Otero County Landfill Inc. (OCLI) required the City to fund post closure costs for the Sanitation Fund of \$283,400.
4. The Restricted Net Position includes 1) \$279,000 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, 2) \$366,553 restricted for endowments of the library and cemetery, 3) \$88,020 restricted for capital projects, 4) \$216,405 for conservation trust, and 5) \$849,000 of cash restricted for operations and maintenance.
5. The City continues working with ARPA with the power plant in Lamar. The plant is on the market for sale.
6. The City's **governmental funds** reported a combined ending fund balance of \$6,351,585 in 2019 compared to \$6,713,182 in 2018 including the General Fund with \$4,745,878 in 2019 compared to \$5,077,381 in 2018 and other non-major Governmental Funds with \$1,605,707 in 2019 compared to \$1,635,801 in 2018.
7. The **governmental funds** reported total assigned and unassigned fund balances of \$5,376,784 in 2019 compared to \$5,805,045 in 2018. The combined assigned and unassigned fund balance is made up of \$4,378,858 in 2019 compared to \$4,737,434 in 2018 from the General Fund and \$997,926 in 2019 compared to \$1,067,611 in 2018 from other non-major funds.
8. The City's **proprietary funds** reported a combined Total Net Position of \$37,756,483 in 2019 compared to \$36,855,500 in 2018 of which \$7,480,150 in 2019 compared to \$6,317,448 in 2018 is unrestricted.
9. The City's **proprietary funds** reported combined cash or equivalents and cash with trustee of \$7,196,652 in 2019 compared to \$9,944,914 in 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

This report also contains required and other additional information in addition to the basic financial statements.

Government-wide Financial Statements:

The *Government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to private-sector business. These statements use the accrual basis of accounting with the measurement focus on that of economic resources. All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term, are included. All revenues and expenses during the year, regardless of when cash is received, are reported. The government-wide financial statements consist of two statements:

1. The **Statement of Net Position** presents information on all of the City’s assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as “*net position*”. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
2. The **Statement of Activities** presents information reporting how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

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

Fund Financial Statements:

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

- Governmental funds
- Proprietary funds
- Internal service funds

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

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

The City maintains 9 individual governmental funds. Information is presented separately in the *governmental fund* Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance for the Governmental Funds. Individual fund information is presented for the General, which is a major fund. Information for the remaining governmental funds are combined into a single "other governmental funds" column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements presented in the Supplemental Information portion of the report. Data from other governmental funds are combined into a single aggregated presentation.

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

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

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

Notes to the Basic Financial Statements:

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

Required Supplementary Information:

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

Other Information:

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

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

Net Position

Net position may serve as a useful indicator of a government's financial position. In the case of the City of La Junta, assets exceeded liabilities by \$64,118,687 in 2019 compared to \$63,387,622 in 2018. By far the largest portion of the City's net position (74%) reflects the net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position is designed to reflect the net position that is subject to restrictions beyond the City's control. Unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors. The City is able to report positive balances in all three categories of net positions, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City's combined net position was:

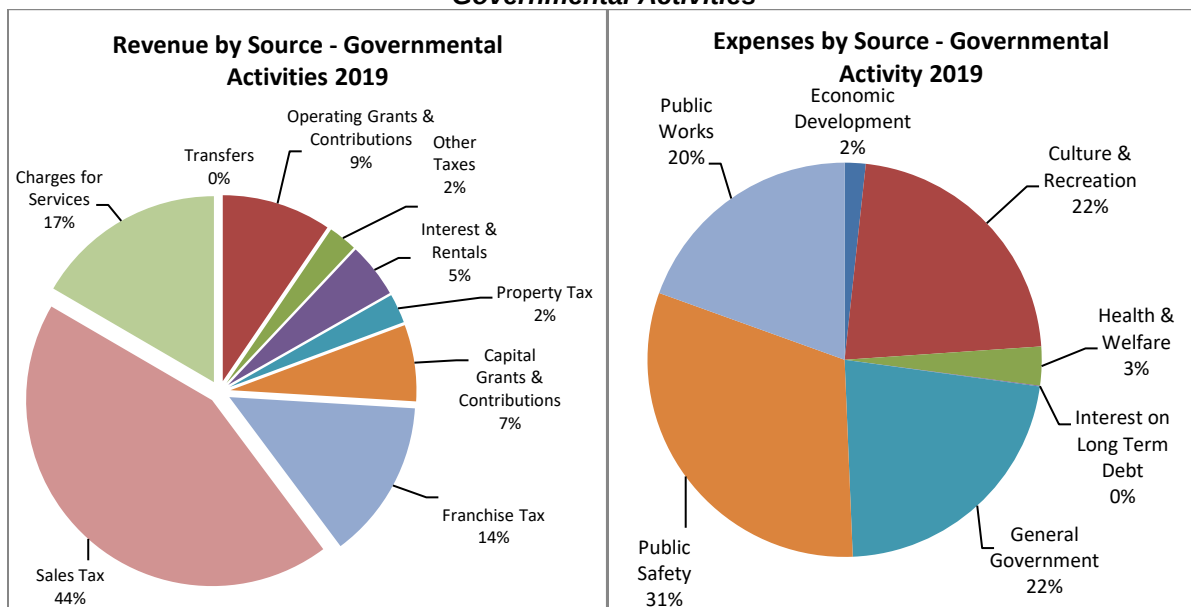
City of La Junta - Combined Net Position as of December 31,

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other	\$ 9,650,466	\$10,777,745	\$14,016,739	\$15,450,579	\$23,667,205	\$26,228,324
Capital assets	<u>18,160,412</u>	<u>17,734,220</u>	<u>48,910,000</u>	<u>46,292,034</u>	<u>67,070,412</u>	<u>64,026,254</u>
Total Assets	27,810,878	28,511,965	62,926,739	61,742,613	90,737,617	90,254,578
Deferred Outflows	<u>239,582</u>	<u>170,319</u>	-	-	<u>239,582</u>	<u>170,319</u>
Total Assets and Deferred Outflow	<u>\$28,050,460</u>	<u>\$28,682,284</u>	<u>\$62,926,739</u>	<u>\$61,742,613</u>	<u>\$90,977,199</u>	<u>\$90,424,897</u>
Liabilities:						
Other Liabilities	\$ 390,668	\$ 877,525	\$ 2,866,404	\$ 4,062,945	\$ 3,257,072	\$ 4,940,470
Long-term debt-current	29,242	28,253	1,405,874	1,440,918	1,435,116	1,469,171
Long-term debt	<u>2,127,400</u>	<u>2,161,608</u>	<u>19,878,124</u>	<u>18,288,758</u>	<u>22,005,524</u>	<u>20,450,366</u>
Total Liabilities	<u>2,547,310</u>	<u>3,067,386</u>	<u>24,150,402</u>	<u>23,792,621</u>	<u>26,697,712</u>	<u>26,860,007</u>
Deferred Inflows	<u>160,800</u>	<u>177,268</u>	-	-	<u>160,800</u>	<u>177,268</u>
Net Position:						
Net investment in capital assets	18,003,604	17,549,159	29,427,333	29,679,052	47,430,937	47,228,211
Restricted	949,978	908,137	849,000	859,000	1,798,978	1,767,137
Unrestricted	<u>6,388,768</u>	<u>6,980,334</u>	<u>8,500,004</u>	<u>7,411,940</u>	<u>14,888,772</u>	<u>14,392,274</u>
Total Net Position	<u>25,342,350</u>	<u>25,437,630</u>	<u>38,776,337</u>	<u>37,949,992</u>	<u>64,118,687</u>	<u>63,387,622</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$28,050,460</u>	<u>\$28,682,284</u>	<u>\$62,926,739</u>	<u>\$61,742,613</u>	<u>\$90,977,199</u>	<u>\$90,424,897</u>

Restrictions in the governmental activities include \$279,000 for statutory reserves for emergencies by TABOR.

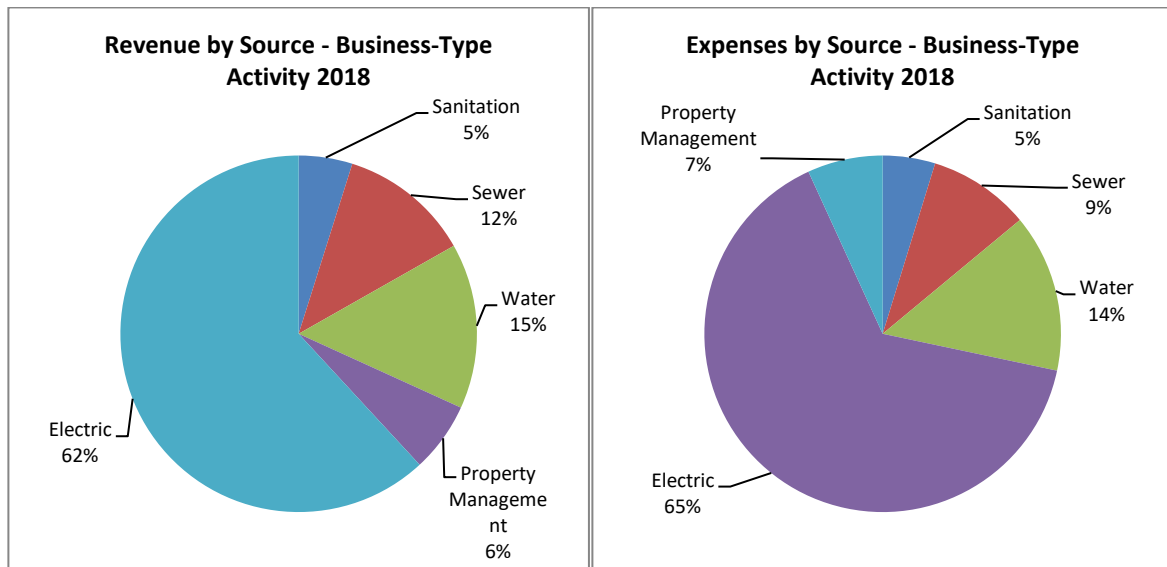
Changes in Net Position

Governmental Activities



- Governmental activities decreased the City of La Junta's net position by \$95,280 in 2019 compared to a decrease of \$241,062 in 2018. This was due to an increase in operating grants and contributions from the prior year as well as the decrease in operating expenses.
- Tax revenues are comprised of property tax, sales and use tax, franchise tax, and other taxes. Sales tax totaled 70% of all taxes and 44% of all governmental activity revenue. The property tax rate is 3.104 mills. It has remained unchanged for over 34 years. Property tax is 4% of all taxes and 2% of the governmental activity revenue.

Business-type activities



- The business-type activities include the Electric, Water, Sewer, Sanitation, and Property Management Funds.
- In the business-type activities, the net position change after transfers and special items was \$826,345 in 2019 compared to \$1,197,896 in 2018.

Charges for services for the business-type activities for 2019 and 2018 are as follows:

	2019	2018
Electric	\$ 11,445,871	\$ 11,794,034
Water	2,917,837	3,006,221
Sewer	2,473,065	2,448,731
Sanitation	951,142	893,927
Property Management	<u>1,200,591</u>	<u>1,120,252</u>
Total Charges for Services	<u>\$ 18,988,506</u>	<u>\$ 19,263,165</u>

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

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

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues						
Charges for Services	\$ 1,563,442	\$ 1,240,842	\$18,988,506	\$19,263,165	\$20,551,948	\$20,504,007
Operating Grants & Contributions	896,062	513,130	-	-	896,062	513,130
Capital Grants & Contributions	626,020	471,563	17,795	405,204	643,815	876,767

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Revenues						
Property Tax	239,885	182,535	-	-	239,885	182,535
Sales Tax	4,105,845	3,923,723	-	-	4,105,845	3,923,723
Franchise Tax	1,302,558	1,322,795	-	-	1,302,558	1,322,795
Other Taxes	235,366	218,566	-	-	235,366	218,566
Interest	71,185	39,873	96,408	78,711	167,593	118,584
Other & Rentals	<u>376,461</u>	<u>394,058</u>	<u>369,686</u>	<u>80,147</u>	<u>746,147</u>	<u>474,205</u>
Total Revenues	<u>\$ 9,416,824</u>	<u>\$ 8,307,085</u>	<u>\$19,472,395</u>	<u>\$19,827,227</u>	<u>\$28,889,219</u>	<u>\$28,134,312</u>
Expenses						
General Government	\$ 2,075,046	\$ 1,979,916	\$ -	\$ -	\$ 2,075,046	\$ 1,979,916
Public Safety	2,916,276	2,468,641	-	-	2,916,276	2,468,641
Public Works	1,824,600	1,621,197	-	-	1,824,600	1,621,197
Health & Welfare	298,115	338,811	-	-	298,115	338,811
Culture & Recreation	2,077,384	2,047,203	-	-	2,077,384	2,047,203
Economic Development	161,057	100,634	-	-	161,057	100,634
Interest-Long Term Debt	5,856	6,834	-	-	5,856	6,834
Electric	-	-	12,221,522	12,340,077	12,221,522	12,340,077
Water	-	-	2,697,016	2,601,210	2,697,016	2,601,210
Sewer	-	-	1,728,733	1,634,098	1,728,733	1,634,098
Sanitation	-	-	969,878	845,471	969,878	845,471
Property Management	-	-	<u>1,304,971</u>	<u>1,319,686</u>	<u>1,304,971</u>	<u>1,319,686</u>
Total Expenses	<u>9,358,334</u>	<u>\$ 8,563,236</u>	<u>18,922,120</u>	<u>18,740,542</u>	<u>28,280,454</u>	<u>27,303,778</u>
Excess (Deficiency) Before Transfers and Special Items	58,490	\$ (256,151)	550,275	1,086,685	608,765	830,534
Transfers In (Out)	(153,770)	15,089	153,770	(15,089)	-	-
Special Items	<u>-</u>	<u>-</u>	<u>122,300</u>	<u>126,300</u>	<u>122,300</u>	<u>126,300</u>
Change in Net Position	(95,280)	(241,062)	826,345	1,197,896	731,065	956,834
Net Position - Beginning	<u>25,437,630</u>	<u>25,678,692</u>	<u>37,949,992</u>	<u>36,752,096</u>	<u>63,387,622</u>	<u>62,430,788</u>
Net Position Ending	<u>\$25,342,350</u>	<u>\$25,437,630</u>	<u>\$38,776,337</u>	<u>\$37,949,992</u>	<u>\$ 64,118,687</u>	<u>\$63,387,622</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

GOVERNMENTAL FUNDS

The focus of the City of La Junta's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year. As of the end of the year, the City's governmental funds reported a combined fund balance of \$6,351,585 in 2019 compared to \$6,713,182 in 2018. This is a decrease of \$361,597. Of that fund balance, \$2,412,558 in 2019 compared to \$3,459,834 in 2018 constitutes unassigned fund balance, which is available for spending at the government's discretion. This is a decrease of \$1,047,276. Restricted and Nonspendable fund balances increased to \$974,801 in 2019 from \$908,137 in 2018.

A portion of the fund balance is restricted for permanent endowments in the amount of \$366,553, for a state constitution mandated emergency reserve-TABOR of \$279,000, conservation trust of \$216,405 and cash of \$88,020.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,412,558 in 2019 compared to \$3,459,834 in 2018, while the total fund balance was \$4,745,878 in 2019 compared to \$5,077,381 in 2018. The General Fund had revenues under expenditures and other financing uses in the amount of \$331,503 in 2019 compared to revenues over expenditures in 2018 in the amount of \$2,915.

The **Southwest Amtrak Improvement Fund** is a special revenue fund used to account for the revenues and expenditures made and received for the Southwest Chief Route Advancement and Improvement Project. This fund was closed out in 2019.

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

PROPRIETARY FUNDS

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

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

	<u>Change in Net Position – Proprietary Funds</u>			
	Unrestricted		Change in	
	Net Position		Net Position	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Major Enterprise Funds</u>				
Electric	\$ 6,399,708	\$ 6,858,739	\$ (379,432)	\$ (480,043)
Water	280,288	446,679	258,037	423,395
Sewer	(591,215)	(1,990,086)	771,661	1,054,014
Sanitation	1,279,275	1,067,310	121,043	160,651
Property Management	<u>112,094</u>	<u>(65,194)</u>	<u>129,674</u>	<u>(69,635)</u>
Total Enterprise Funds	<u>\$ 7,480,150</u>	<u>\$ 6,317,448</u>	<u>\$ 900,983</u>	<u>\$ 1,088,382</u>

INTERNAL SERVICES FUNDS

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

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

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

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

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

In 2019, operating revenues in the Employee Benefit Fund increased by \$184,471 due to an increase in the number of employees enrolled in the city offered benefit. Operating expenses for the Employee Benefit fund increased \$630,867.

The **City Services Fund** is used as a resource base to purchase requested equipment (over \$5,000) for the various departments. Assets are purchased through the fund; amortized costs are then charged to each department as a "rental charge." When an item needs replaced, adequate funds have been generated through the on-going rental fees to make a replacement purchase. Revenues totaled \$1,222,264 in 2019 compared to \$1,216,796 in 2018. Increases are due to the adjustments in maintenance, fuel prices, and computer services that are paid by the city departments. The change in net position was \$58,535 in 2019 compared to \$62,655 in 2018.

BUDGETARY HIGHLIGHTS

The General Fund's original budget was \$8,051,075 and final budget was \$8,813,850 in Revenues (including transfers in). Compared to actual revenues of \$8,976,442, this was a positive variance of \$925,367 from the original budget and a positive variance of \$162,592 from the final budget.

The General Fund's original budget was \$9,910,583 and final budget was \$10,785,958 in Expenditures. Compared to actual expenditures of \$9,307,945, this was a negative variance of \$602,638 from the original budget and a positive variance of \$1,478,013 from the final budget.

Other budgetary highlights for the City of La Junta as a whole include:

- Working with Engineers on a distributed generation at each critical load site in order to increase resiliency from big weather events,
- The City is working on funding for an intergenerational park along the Anderson Arroyo.
- Tom Seaba, Director of Water, Wastewater, and Motor Pool and his Departments were instrumental in the construction of the new Wastewater Treatment plant.
- Working to make sure the City has a future water supply with the conversion of water rights along the Holbrook Canal and continuing the conduit project that will help 42 communities in Southeast Colorado meet water standards with a pipeline out of Pueblo Reservoir.
- The City purchased an excavator that is helping us clear the debris out of the King and Anderson Arroyos, but also used it to build sections of a trail system along it. We will use the excavator to demolish vacant or burnt out structures or assist other departments with their needs. We received an EPA grant that helped demolish 5 structures in 2019. The City Street Department took down an additional 7 structures. Private sector demolished an additional 3 blighted commercial structures to build a new sonic restaurant. The City looks a lot better.
- The City worked with the school district on Primary (West School) school.
- The City also helped residences through a 50/50 tree replacement program.
- We continued working on a GIS system to better serve our customers in making better decisions for maintenance, replacement and increase knowledge of our infrastructure.
- Partnered with DeBourgh Manufacturing on replacing the waterline coming into the building, Electric and HVAC upgrades, and a new dock.
- Started construction to put an ADA elevator into St. Pat's office Suite
- Held the Mayor's citizen academy to educate people on our City operations
- Started a youth council with the school
- Rehabilitated the runway and part of the apron and 2020 will rehabilitate more of the apron.
- Made safety improvements to La Junta Raceway.
- Participated in Craft 101 training from Colorado Tourism Office
- Participating in Colorado Main Street program
- Rehabilitated a downtown building and brought 24 new employees into the building
- Partnered with Lewis Anchor on their expansion
- The police range built a new training building funded by the State
- Hosted the Fire on the plains training
- Rehabilitated the flood pumps along Highway 50
- Paved train hill which has become our monument
- Remodels of Love's Country Store, Wal-Mart, McDonalds, and Village Inn

- Concreted part of Anderson Road to help Lewis Anchor and shell gas station
- Chip sealed 1.5 miles at Industrial Park and 1.7 miles within City
- Bought 2 new trucks for the Sanitation Department
- Improvements on two ball fields and replace a gazebo

Supplemental Budget Appropriations were made for the following funds:

- General Fund
- Property Management Fund
- Lodging Tax Tourism Fund
- Water Utility Fund
- Sewer Utility Fund
- Sanitation Utility Fund
- La Junta Urban Renewal Authority

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City had invested \$67,070,412 compared to \$64,026,254 in 2018, in a broad range of capital assets, including land, equipment, buildings, electric, water, and sewer lines. See Note-4 for additional information. The change is due to more acquisitions, the continued construction on the new waste-water treatment facility, fewer disposals of assets and the increase in depreciation expense.

Long-term Debt

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

ECONOMIC FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

- Factors, which have the potential to significantly impact the City's 2019 budget, include the on-going world-wide economic conditions and federal appropriations with new administration that concerns us as well as the nation. Rising costs of health insurance, increasing fuel costs, subsequent reductions in funding, rising cost of purchasing electricity, minimum wage going up, and increasingly restrictive EPA regulations on water and wastewater. Also, the additional water loss from farms to the Front Range.
- Colorado's economy is growing fast. Historically, La Junta has not experienced the booming economy that much of Colorado has experienced during the good times. Its economic trends have been relatively status quo, and the significant impacts are negative ones that have impacted us so drastically the last few years. The downward population trends can have long-term impacts, if not reversed.
- Water conservation began in 2003 and shortage of water has been a factor. The City has purchased 887.70 shares of Holbrook Canal. The City is currently working on converting these water rights for beneficial use.
- The Lamar Repowering project will have long term effect to our customers through the electric rates charged to ARPA member cities until 2042.
- The construction of a new wastewater treatment plant was completed by the end of the year. With our Reverse Osmosis Water Treatment Plant, The City of La Junta is an EPA-compliant community that will be able to meet the regulations into the future.
- The increase of Minimum wage up to \$12 per hour by 2020 is having a negative effect of our ability to perform services as in the past.
- We see growth with our industries and the housing market is booming as we see people from the Front Range relocating here.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH OR EQUIVALENTS	\$ 7,091,852	\$ 5,624,951	\$ 12,716,803
RESTRICTED CASH	88,020	-	88,020
CASH WITH TRUSTEE	2,916	1,571,701	1,574,617
INVESTMENTS	2,600,330	1,788,105	4,388,435
RECEIVABLES - NET			
ACCOUNTS	243,824	1,860,501	2,104,325
TAXES	554,389	-	554,389
NOTES	26,264	-	26,264
OTHER	467	-	467
INTERNAL BALANCES	(1,019,854)	1,019,854	-
INVENTORIES	62,258	2,123,793	2,186,051
DEPOSITS	-	27,834	27,834
CAPITAL ASSETS			
LAND AND WATER RIGHTS	1,202,765	3,120,856	4,323,621
CONSTRUCTION IN PROGRESS	404,831	173,190	578,021
BUILDINGS	7,701,622	33,570,502	41,272,124
SYSTEMS	-	51,276,635	51,276,635
IMPROVEMENTS	7,520,439	-	7,520,439
EQUIPMENT	6,275,771	4,773,060	11,048,831
INFRASTRUCTURE	32,581,909	-	32,581,909
ACCUMULATED DEPRECIATION	(37,526,925)	(44,004,243)	(81,531,168)
TOTAL ASSETS	27,810,878	62,926,739	90,737,617
DEFERRED OUTFLOWS OF RESOURCES			
PENSION RELATED	239,582	-	239,582
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 28,050,460	\$ 62,926,739	\$ 90,977,199
LIABILITIES			
ACCOUNTS PAYABLE	\$ 370,030	\$ 1,703,772	\$ 2,073,802
ACCRUED EXPENSES	3,443	191,539	194,982
CUSTOMERS DEPOSITS	-	199,885	199,885
UNEARNED REVENUES	17,195	771,208	788,403
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	29,242	1,405,874	1,435,116
DUE IN MORE THAN ONE YEAR	2,127,400	19,878,124	22,005,524
TOTAL LIABILITIES	2,547,310	24,150,402	26,697,712
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES - PENSION RELATED	53,900	-	53,900
DEFERRED REVENUES - PROPERTY TAXES	106,900	-	106,900
	160,800	-	160,800
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	18,003,604	29,427,333	47,430,937
RESTRICTED FOR:			
EMERGENCIES - TABOR	279,000	-	279,000
CAPITAL PROJECTS	88,020	-	88,020
ENDOWMENTS - NONEXPENDABLE	366,553	-	366,553
CONSERVATION TRUST	216,405	-	216,405
OPERATIONS & MAINTENANCE	-	849,000	849,000
UNRESTRICTED	6,388,768	8,500,004	14,888,772
TOTAL NET POSITION	25,342,350	38,776,337	64,118,687
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 28,050,460	\$ 62,926,739	\$ 90,977,199

CITY OF LA JUNTA, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 2,075,046	\$ 616,400	\$ 9,625	\$ -
PUBLIC SAFETY	2,916,276	403,104	232,070	75,615
PUBLIC WORKS	1,824,600	242,082	438,387	550,405
HEALTH AND WELFARE	298,115	48,510	-	-
CULTURE AND RECREATION	2,077,384	253,346	215,980	-
ECONOMIC DEVELOPMENT	161,057	-	-	-
INTEREST ON LONG TERM DEBT	5,856	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	9,358,334	1,563,442	896,062	626,020
BUSINESS-TYPE ACTIVITIES:				
ELECTRIC	12,221,522	11,445,871	-	-
WATER	2,697,016	2,917,837	-	15,795
SEWER	1,728,733	2,473,065	-	2,000
SANITATION	969,878	951,142	-	-
PROPERTY MANAGEMENT	1,304,971	1,200,591	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	18,922,120	18,988,506	-	17,795
TOTAL PRIMARY GOVERNMENT	\$ 28,280,454	\$ 20,551,948	\$ 896,062	\$ 643,815

GENERAL REVENUES:

PROPERTY TAXES

SALES TAXES

FRANCHISE TAXES

OTHER TAXES

INTEREST

MISCELLANEOUS

TOTAL GENERAL REVENUES

TRANSFERS

SPECIAL ITEM

TOTAL GENERAL REVENUES, TRANSFERS
AND SPECIAL ITEM

CHANGE IN NET POSITION

NET POSITION JANUARY 1

NET POSITION DECEMBER 31

SEE NOTES TO FINANCIAL STATEMENTS

NET (EXPENSES) REVENUE
AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,449,021)	\$ -	\$ (1,449,021)
(2,205,487)	-	(2,205,487)
(593,726)	-	(593,726)
(249,605)	-	(249,605)
(1,608,058)	-	(1,608,058)
(161,057)	-	(161,057)
(5,856)	-	(5,856)
(6,272,810)	-	(6,272,810)
-	(775,651)	(775,651)
-	236,616	236,616
-	746,332	746,332
-	(18,736)	(18,736)
-	(104,380)	(104,380)
-	84,181	84,181
(6,272,810)	84,181	(6,188,629)
239,885	-	239,885
4,105,845	-	4,105,845
1,302,558	-	1,302,558
235,366	-	235,366
71,185	96,408	167,593
376,461	369,686	746,147
6,331,300	466,094	6,797,394
(153,770)	153,770	-
-	122,300	122,300
6,177,530	742,164	6,919,694
(95,280)	826,345	731,065
25,437,630	37,949,992	63,387,622
\$ 25,342,350	\$ 38,776,337	\$ 64,118,687

CITY OF LA JUNTA, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2019

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
CASH OR EQUIVALENTS	\$ 2,793,110	\$ 1,060,791	\$ 3,853,901
CASH WITH TRUSTEE	2,916	-	2,916
RESTRICTED CASH	88,020	-	88,020
INVESTMENTS	1,428,950	573,612	2,002,562
RECEIVABLES			
ACCOUNTS AND GRANTS	167,091	-	167,091
TAXES	543,493	10,896	554,389
NOTES	-	26,264	26,264
OTHER	401	66	467
DUE FROM (TO) OTHER FUNDS	48,626	(48,626)	-
TOTAL ASSETS	\$ 5,072,607	\$ 1,623,003	\$ 6,695,610
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 219,829	\$ 101	\$ 219,930
UNEARNED REVENUE	-	17,195	17,195
TOTAL LIABILITIES	219,829	17,296	237,125
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES - PROPERTY TAXES	106,900	-	106,900
FUND BALANCE			
NONSPENDABLE FOR			
NOTES	-	24,823	24,823
RESTRICTED FOR			
EMERGENCIES - TABOR	279,000	-	279,000
CAPITAL PROJECTS	88,020	-	88,020
CONSERVATION TRUST	-	216,405	216,405
ENDOWMENTS - NONEXPENDABLE	-	366,553	366,553
ASSIGNED			
SUBSEQUENT YEARS' EXPENDITURES	1,966,300	-	1,966,300
COMMUNITY AND ECONOMIC DEVELOPMENT	-	990,043	990,043
SURCHARGE	-	7,883	7,883
UNASSIGNED	2,412,558	-	2,412,558
TOTAL FUND BALANCES	4,745,878	1,605,707	6,351,585
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 5,072,607	\$ 1,623,003	\$ 6,695,610

CITY OF LA JUNTA, COLORADO

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

DECEMBER 31, 2019

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 6,351,585

ASSETS NOT AVAILABLE FOR CURRENT PERIOD EXPENDITURES AND
THEREFORE ARE NOT REPORTED IN FUNDS

LONG TERM RECEIVABLES	\$ 71,621	
DEFERRED OUTFLOWS - PENSION RELATED AMOUNTS	<u>239,582</u>	311,203

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL
RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.

THE COST OF CAPITAL ASSETS IS	50,375,817	
ACCUMULATED DEPRECIATION IS	<u>(34,027,686)</u>	16,348,131

INVENTORIES ARE EXPENSED IN THE GOVERNMENTAL FUNDS UPON ACQUISITION BUT
RECOGNIZED AS AN ASSET IN THE GOVERNMENT WIDE FINANCIAL STATEMENTS 29,793INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COSTS
OF CERTAIN INFORMATION SYSTEMS, OTHER EQUIPMENT AND MEDICAL
BENEFIT COSTS TO INDIVIDUAL FUNDS. THE ASSETS AND LIABILITIES OF
THE INTERNAL SERVICES FUNDS ARE INCLUDED IN GOVERNMENTAL ACTIVITIES
IN THE STATEMENT OF NET POSITION. 4,388,106LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD
AND THEREFORE ARE NOT REPORTED IN THE FUNDS.

COMPENSATED ABSENCES	(799,092)	
LOAN PAYABLE DEVELOPER	(156,808)	
ACCRUED INTEREST ON THE LOAN	(3,443)	
NET PENSION LIABILITIES	(1,073,225)	
DEFERRED INFLOWS - PENSION RELATED AMOUNTS	<u>(53,900)</u>	(2,086,468)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 25,342,350

CITY OF LA JUNTA, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
TAXES	\$ 5,559,637	\$ 328,930	\$ 5,888,567
LICENSES AND PERMITS	27,696	-	27,696
INTERGOVERNMENTAL	1,426,910	91,999	1,518,909
CHARGES FOR SERVICES	1,563,442	-	1,563,442
FINES	46,140	-	46,140
INTEREST	39,043	11,788	50,831
MISCELLANEOUS AND RENTALS	277,847	24,779	302,626
TOTAL REVENUES	8,940,715	457,496	9,398,211
EXPENDITURES			
GENERAL GOVERNMENT	2,843,788	105,479	2,949,267
PUBLIC SAFETY	2,914,886	-	2,914,886
PUBLIC WORKS	1,323,814	-	1,323,814
HEALTH AND WELFARE	335,921	-	335,921
CULTURE AND RECREATION	1,889,536	-	1,889,536
ECONOMIC DEVELOPMENT	-	161,057	161,057
DEBT SERVICE	-	34,730	34,730
TOTAL EXPENDITURES	9,307,945	301,266	9,609,211
REVENUES OVER (UNDER) EXPENDITURES	(367,230)	156,230	(211,000)
OTHER FINANCING SOURCES (USES)			
CONTRIBUTIONS	-	3,173	3,173
TRANSFERS IN	35,727	-	35,727
TRANSFERS OUT	-	(189,497)	(189,497)
TOTAL OTHER FINANCING SOURCES (USES)	35,727	(186,324)	(150,597)
NET CHANGE IN FUND BALANCE	(331,503)	(30,094)	(361,597)
FUND BALANCE JANUARY 1	5,077,381	1,635,801	6,713,182
FUND BALANCE DECEMBER 31	\$ 4,745,878	\$ 1,605,707	\$ 6,351,585

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO

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

YEAR ENDED DECEMBER 31, 2019

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

NET CHANGE IN FUND BALANCE	\$ (361,597)
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REVENUES IN THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE
CURRENT FINANCIAL RESOURCES ARE NOT REPORTED AS REVENUES IN THE FUNDS

CHANGE IN RECEIVABLE FOR FRANCHISE TAX - NOT CURRENT	<u>(4,913)</u>	(4,913)
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GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN
THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR
ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE. THIS IS THE
AMOUNT BY WHICH CAPITAL OUTLAYS DIFFER FROM DEPRECIATION IN THE CURRENT PERIOD.

CAPITAL OUTLAY	1,241,921	
DEPRECIATION EXPENSE AND LOSS ON DISPOSITION	<u>(990,395)</u>	251,526

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

COMPENSATED ABSENCES	73,561	
PAYMENTS ON NOTE TO DEVELOPER FOR ELIGIBLE REIMBURSEMENT COSTS	28,253	
ACCRUED INTEREST EXPENSE ON LOAN	621	
PENSION RELATED AMOUNTS	<u>20,227</u>	122,662

INVENTORIES ARE EXPENSED AT ACQUISITION IN THE GOVERNMENTAL FUNDS AND REPORTED AS EXPENSES WHEN USED IN THE GOVERNMENT WIDE STATEMENTS	(14,607)
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INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COSTS OF
CERTAIN INFORMATION SYSTEMS, OTHER EQUIPMENT AND MEDICAL BENEFIT COSTS
TO INDIVIDUAL FUNDS.

THE NET REVENUE OF CERTAIN ACTIVITIES OF THE INTERNAL SERVICE FUNDS IS REPORTED WITH THE GOVERNMENTAL ACTIVITIES.	<u>(88,351)</u>
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CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (95,280)</u></u>
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CITY OF LA JUNTA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	BUSINESS-TYPE ACTIVITIES -		
	ELECTRIC	WATER	SEWER
CURRENT ASSETS			
CASH OR EQUIVALENTS	\$ 2,535,725	\$ 338,930	\$ 531,949
CASH WITH TRUSTEE	-	-	1,571,701
INVESTMENTS	1,436,445	-	50,968
ACCOUNTS RECEIVABLE CUSTOMERS - NET	1,238,186	231,860	284,262
BORROWINGS TO (FROM) OTHER FUND - CURRENT	146,072	-	-
INVENTORIES	1,627,140	477,842	18,811
PREPAIDS AND ACCRUALS	1,174	26,389	-
TOTAL CURRENT ASSETS	6,984,742	1,075,021	2,457,691
PROPERTY AND EQUIPMENT			
LAND, SYSTEMS, AND EQUIPMENT	17,898,426	25,921,717	28,601,201
ACCUMULATED DEPRECIATION	(14,459,750)	(13,284,346)	(5,743,832)
NET PROPERTY AND EQUIPMENT	3,438,676	12,637,371	22,857,369
OTHER ASSETS			
BORROWINGS TO (FROM) OTHER FUND	824,628	-	-
TOTAL ASSETS	\$ 11,248,046	\$ 13,712,392	\$ 25,315,060
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	\$ 836,466	\$ 25,369	\$ 831,080
ACCRUED EXPENSES	-	42,282	101,716
CUSTOMERS DEPOSITS	199,885	-	-
UNEARNED REVENUE	-	7,695	-
LANDFILL COSTS	-	-	-
LOANS PAYABLE	-	700,009	677,525
TOTAL CURRENT LIABILITIES	1,036,351	775,355	1,610,321
NONCURRENT LIABILITIES			
ACCRUED SICK LEAVE AND VACATION PAY	373,311	203,387	211,409
UNEARNED REVENUE	-	-	-
LANDFILL COSTS	-	-	-
LOANS PAYABLE	-	2,216,663	16,489,471
TOTAL NONCURRENT LIABILITIES	373,311	2,420,050	16,700,880
TOTAL LIABILITIES	1,409,662	3,195,405	18,311,201
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	3,438,676	9,720,699	7,262,074
RESTRICTED FOR:			
OPERATIONS & MAINTENANCE	-	516,000	333,000
UNRESTRICTED	6,399,708	280,288	(591,215)
TOTAL NET POSITION	9,838,384	10,516,987	7,003,859
TOTAL LIABILITIES AND NET POSITION	\$ 11,248,046	\$ 13,712,392	\$ 25,315,060

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUNDS
SANITATION	PROPERTY MANAGEMENT	TOTAL	
\$ 1,208,383	\$ 1,009,964	\$ 5,624,951	\$ 3,237,951
-	-	1,571,701	-
300,692	-	1,788,105	597,768
100,883	5,310	1,860,501	5,113
-	(146,072)	-	-
-	-	2,123,793	32,465
271	-	27,834	-
<u>1,610,229</u>	<u>869,202</u>	<u>12,996,885</u>	<u>3,873,297</u>
934,711	19,558,188	92,914,243	5,311,519
(539,544)	(9,976,771)	(44,004,243)	(3,499,239)
<u>395,167</u>	<u>9,581,417</u>	<u>48,910,000</u>	<u>1,812,280</u>
-	(824,628)	-	-
<u>\$ 2,005,396</u>	<u>\$ 9,625,991</u>	<u>\$ 61,906,885</u>	<u>\$ 5,685,577</u>
\$ 444	\$ 10,413	\$ 1,703,772	\$ 150,100
-	47,541	191,539	-
-	-	199,885	-
-	39,758	47,453	-
28,340	-	28,340	-
-	-	1,377,534	-
<u>28,784</u>	<u>97,712</u>	<u>3,548,523</u>	<u>150,100</u>
47,110	81,713	916,930	127,517
-	723,755	723,755	-
255,060	-	255,060	-
-	-	18,706,134	-
<u>302,170</u>	<u>805,468</u>	<u>20,601,879</u>	<u>127,517</u>
<u>330,954</u>	<u>903,180</u>	<u>24,150,402</u>	<u>277,617</u>
395,167	8,610,717	29,427,333	1,812,280
-	-	849,000	-
<u>1,279,275</u>	<u>112,094</u>	<u>7,480,150</u>	<u>3,595,680</u>
<u>1,674,442</u>	<u>8,722,811</u>	<u>37,756,483</u>	<u>5,407,960</u>
<u>\$ 2,005,396</u>	<u>\$ 9,625,991</u>	<u>\$ 61,906,885</u>	<u>\$ 5,685,577</u>

CITY OF LA JUNTA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2019

	BUSINESS-TYPE ACTIVITIES -		
	ELECTRIC	WATER	SEWER
OPERATING REVENUES			
CHARGES FOR SERVICES	\$ 11,445,871	\$ 2,771,964	\$ 2,473,065
OTHER BILLINGS	-	145,873	-
TOTAL OPERATING REVENUES	11,445,871	2,917,837	2,473,065
OPERATING EXPENSES			
PERSONAL SERVICES, MATERIALS AND SUPPLIES	11,787,287	2,037,327	1,329,935
DEPRECIATION	401,234	553,551	244,323
TOTAL OPERATING EXPENSES	12,188,521	2,590,878	1,574,258
OPERATING INCOME (LOSS)	(742,650)	326,959	898,807
NONOPERATING REVENUES (EXPENSES)			
INTEREST INCOME	83,847	2,295	1,255
OTHER	274,319	24,049	8,640
GAIN (LOSS) ON SALE OF ASSETS	5,052	3,013	840
INTEREST EXPENSE	-	(90,774)	(139,881)
TOTAL NONOPERATING REVENUES (EXPENSES)	363,218	(61,417)	(129,146)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS TRANSFERS AND SPECIAL ITEMS	(379,432)	265,542	769,661
CAPITAL CONTRIBUTIONS	-	15,795	2,000
TRANSFERS (OUT)	-	(23,300)	-
SPECIAL ITEMS	-	-	-
CHANGE IN NET POSITION	(379,432)	258,037	771,661
NET POSITION JANUARY 1	10,217,816	10,258,950	6,232,198
NET POSITION DECEMBER 31	\$ 9,838,384	\$ 10,516,987	\$ 7,003,859

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUNDS
SANITATION	PROPERTY MANAGEMENT	TOTAL	
\$ 892,642	\$ 1,200,591	\$ 18,784,133	\$ 2,717,877
58,500	-	204,373	-
951,142	1,200,591	18,988,506	2,717,877
868,212	740,259	16,763,020	2,680,535
90,922	563,777	1,853,807	249,152
959,134	1,304,036	18,616,827	2,929,687
(7,992)	(103,445)	371,679	(211,810)
6,735	2,276	96,408	20,353
-	50,555	357,563	-
-	3,218	12,123	28,469
-	-	(230,655)	-
6,735	56,049	235,439	48,822
(1,257)	(47,396)	607,118	(162,988)
-	-	17,795	-
-	177,070	153,770	-
122,300	-	122,300	-
121,043	129,674	900,983	(162,988)
1,553,399	8,593,137	36,855,500	5,570,948
\$ 1,674,442	\$ 8,722,811	\$ 37,756,483	\$ 5,407,960

CITY OF LA JUNTA, COLORADO

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

DECEMBER 31, 2019

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

TOTAL NET POSITION - PROPRIETARY FUNDS	\$ 37,756,483
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>1,019,854</u>
NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 38,776,337</u></u>

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

FOR THE YEAR ENDED DECEMBER 31, 2019

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

CHANGE IN NET POSITION	\$ 900,983
ADJUSTMENT TO REFLECT CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>(74,638)</u>
CHANGES IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 826,345</u></u>

CITY OF LA JUNTA, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2019

	BUSINESS-TYPE	
	ELECTRIC	WATER
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 11,471,654	\$ 2,772,162
CASH PAYMENTS TO EMPLOYEES & SUPPLIERS FOR GOODS & SERVICES	(11,748,610)	(2,061,208)
OTHER OPERATING REVENUES	-	145,873
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(276,956)	856,827
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
RENTS RECEIVED AND OTHER	200,710	21,502
TRANSFER OUT	-	(23,300)
CUSTOMER DEPOSITS	38,289	-
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	238,999	(1,798)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(361,502)	(374,677)
CASH PROCEEDS FROM INSURANCE , SALE OF ASSETS AND OTHER	5,052	3,013
CAPITAL CONTRIBUTED	-	15,795
BORROWINGS TO OTHER FUNDS	140,353	-
LOAN PROCEEDS	-	-
PRINCIPAL PAID ON LOANS PAYABLE	-	(683,711)
INTEREST PAID ON LOANS PAYABLE AND OTHER	-	(94,125)
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(216,097)	(1,133,705)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND LOANS	58,474	2,295
PURCHASE OF INVESTMENTS	(1,408,638)	-
CASH PROCEEDS FROM SALE OF INVESTMENTS	211,149	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,139,015)	2,295
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,393,069)	(276,381)
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - BEGINNING OF YEAR	3,928,794	615,311
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - END OF YEAR	\$ 2,535,725	\$ 338,930
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (742,650)	\$ 326,959
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	401,234	553,551
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE, PREPAIDS & INVENTORIES	57,684	(23,417)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE AND ACCRUED EXPENSES	6,776	(266)
INCREASE (DECREASE) IN DEFERRED REVENUE	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (276,956)	\$ 856,827
SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES		
EQUIPMENT ACQUISITION COSTS IN ACCOUNTS PAYABLE	\$ 119,331	\$ -

SEE NOTES TO FINANCIAL STATEMENTS

ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITY INTERNAL SERVICE FUND
SEWER	SANITATION	PROPERTY MANAGEMENT	TOTAL	
\$ 2,461,221	\$ 881,476	\$ 1,174,675	\$ 18,761,188	\$ 2,828,201
(1,319,379)	(859,691)	(746,196)	(16,735,084)	(2,601,621)
-	58,500	-	204,373	-
1,141,842	80,285	428,479	2,230,477	226,580
8,640	-	7,653	238,505	-
-	-	177,070	153,770	-
-	-	-	38,289	-
8,640	-	184,723	430,564	-
(4,441,015)	-	(371,555)	(5,548,749)	(455,024)
840	-	20,313	29,218	28,469
2,000	-	-	17,795	-
-	-	(140,353)	-	-
3,000,000	-	-	3,000,000	-
(669,200)	-	-	(1,352,911)	-
(133,391)	-	-	(227,516)	-
(2,240,766)	-	(491,595)	(4,082,163)	(426,555)
736	5,557	2,276	69,338	11,545
-	(399,309)	-	(1,807,947)	(588,248)
-	200,320	-	411,469	100,468
736	(193,432)	2,276	(1,327,140)	(476,235)
(1,089,548)	(113,147)	123,883	(2,748,262)	(676,210)
3,193,198	1,321,530	886,081	9,944,914	3,914,161
\$ 2,103,650	\$ 1,208,383	\$ 1,009,964	\$ 7,196,652	\$ 3,237,951
\$ 898,807	\$ (7,992)	\$ (103,445)	\$ 371,679	\$ (211,810)
244,323	90,922	563,777	1,853,807	249,152
(11,304)	(9,496)	21,021	34,488	120,312
10,016	6,851	(6,782)	16,595	68,926
-	-	(46,092)	(46,092)	-
\$ 1,141,842	\$ 80,285	\$ 428,479	\$ 2,230,477	\$ 226,580
\$ 820,591	\$ -	\$ 4,255	\$ 944,177	\$ -

NOTES TO FINANCIAL STATEMENTS

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE FINANCIAL REPORTING ENTITY

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

Blended component units included within the reporting entity:

La Junta Urban Renewal Authority ("URA")

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

La Junta Capital Inc.

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

Joint Venture:

Otero County Landfill Inc. ("OCLI")

The City of La Junta is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill Inc. As a participant, the City is responsible for a portion of closure and post closure costs of the landfill. As of December 31, 2019, the City's share of the cost is estimated at \$283,400 or approximately 19% of the total. A complete financial report may be obtained from the administrative offices of Otero County.

Related organizations:

La Junta Housing Authority

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

Jointly Governed Organizations:

Arkansas River Power Authority ("ARPA")

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

Based on electric revenues billed from inception to December 31, 2019, the City of La Junta has a residual equity interest in ARPA of approximately 30%. The governing Board of ARPA consists of two members from each municipality. Because it is felt that the City cannot significantly influence the operations of ARPA it is considered a jointly governed organization and not part of the City's reporting entity.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The City reports the following major governmental funds:

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund. Major revenue sources include sales taxes, property taxes, franchise and other taxes, charges for services, and intergovernmental revenue. Primary expenditures include general government, public safety (fire and police), public works, health and welfare, and culture and recreation.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

Electric Utility Fund - Accounts for the operations of the City's electric utility. Activities of the fund include administration, operation and maintenance, and distribution of the electric utility system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Water Utility Fund - Accounts for the operations of the City's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Sewer Utility Fund - Accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the sewer system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Sanitation Utility Fund - Accounts for the operations of the City's sanitation utility. Activities of the fund include administration, operation and maintenance, and collection of trash related to the sanitation system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Property Management Fund - Accounts for rental activities related to City property, most of which is located within the Industrial Park. Activities of the fund include administration and the operation and maintenance of commercial rental units.

Additionally, the government reports the following fund types:

Internal Service Funds - Accounts for the financing of goods or services provided by one department or agency of the City to other departments or agencies of the City, generally on a cost reimbursement basis. The internal service funds of the City provide data processing and fleet management services as well as medical benefits to the other City departments and agencies.

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

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash, Cash Equivalents and Investments

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In accordance with generally accepted accounting principles, the City, as well as its component units, record investments at fair value with any unrealized gain or loss recognized in interest revenue.

For purposes of the statement of cash flows, the City considers cash, cash equivalents, and cash with trustee to be cash on hand, demand deposits and, if any held, all highly liquid investments with original maturities of three months or less when acquired.

Restricted Cash

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

Receivables/Payables

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

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

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

Property Tax Receivable

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2019 since the amounts are measurable but not available until 2020. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

Inventories

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

Water Inventory

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

Capital Assets

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

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category which is for pension related amounts.

Pension Related - Amounts reported as deferred outflows of resources include the following:

Difference Between Expected and Actual Experience	\$ -
Changes of Assumptions or Other Inputs	-
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	112,530
Contributions Made Subsequent to the Measurement Date	<u>127,052</u>
Total Pension Related Deferred Outflows	<u>\$ 239,582</u>

More information on pension related items is included in Note 9.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of item that qualify for reporting in this category.

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

Pension Related - Amounts reported as deferred inflows of resources include the following:

Difference Between Expected and Actual Experience	\$ -
Changes of Assumptions or Other Inputs	-
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	<u>53,900</u>
Total Pension Related Deferred Inflows	<u>\$ 53,900</u>

More information on pension related items is included in Note 9.

Unearned Revenues

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

Long-Term Obligations

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

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

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

Fund Balance/Net Position

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

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

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

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

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

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

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

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

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 transfers.

Estimates

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

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

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2019, the Electric Utility Fund, La Junta Urban Renewal Authority Fund, Economic Development Fund and Employee Benefit Claim Fund were in violation.

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

NOTE -2 DEPOSITS AND INVESTMENTS

DEPOSITS:

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2019, \$16,831,228 of the City's bank balance of \$17,581,228 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -2 DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS:

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval. 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 City categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2019, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Investment Maturities (in years)</u>	
					<u>Less Than One Year</u>	<u>1-5 Years</u>
U.S. treasuries	\$ -	\$ 4,388,435	\$ -	\$ 4,388,435	\$ 4,388,435	\$ -

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

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

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

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

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

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>
<u>Governmental Funds:</u>		
General Fund	\$ 106,900	\$ -
Lodging Tax Tourism Fund	-	17,195
	<u>\$ 106,900</u>	<u>\$ 17,195</u>
<u>Proprietary Funds:</u>		
Water Utility Fund	\$ -	\$ 7,695
Property Management Fund	-	763,513
	<u>\$ -</u>	<u>\$ 771,208</u>

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS

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

	<u>BEGINNING BALANCE</u>	<u>TRANSFERS/ INCREASES</u>	<u>TRANSFERS/ DECREASES</u>	<u>ENDING BALANCE</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 1,222,765	\$ -	\$ (20,000)	\$ 1,202,765
Construction in progress	<u>408,782</u>	<u>303,274</u>	<u>(307,225)</u>	<u>404,831</u>
	<u>1,631,547</u>	<u>303,274</u>	<u>(327,225)</u>	<u>1,607,596</u>
Capital assets being depreciated				
Buildings	7,669,622	32,000	-	7,701,622
Improvements	6,534,360	986,079	-	7,520,439
Infrastructure	32,581,909	-	-	32,581,909
Equipment	<u>5,854,878</u>	<u>672,197</u>	<u>(251,304)</u>	<u>6,275,771</u>
	<u>52,640,769</u>	<u>1,690,276</u>	<u>(251,304)</u>	<u>54,079,741</u>
Less accumulated depreciation for				
Buildings	(4,707,907)	(217,374)	-	(4,925,281)
Improvements	(3,454,001)	(246,006)	-	(3,700,007)
Infrastructure	(24,217,045)	(409,712)	-	(24,626,757)
Equipment	<u>(4,159,143)</u>	<u>(366,456)</u>	<u>250,719</u>	<u>(4,274,880)</u>
	<u>(36,538,096)</u>	<u>(1,239,548)</u>	<u>250,719</u>	<u>(37,526,925)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 17,734,220</u>	<u>\$ 754,002</u>	<u>\$ (327,810)</u>	<u>\$ 18,160,412</u>
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 1,008,222	\$ -	\$ -	\$ 1,008,222
Water rights	2,112,634	-	-	2,112,634
Construction in progress	<u>17,231,739</u>	<u>144,940</u>	<u>(17,203,489)</u>	<u>173,190</u>
	<u>20,352,595</u>	<u>144,940</u>	<u>(17,203,489)</u>	<u>3,294,046</u>
Capital assets being depreciated				
Buildings	33,377,902	596,843	(404,243)	33,570,502
Systems	33,831,496	20,579,730	(3,134,591)	51,276,635
Equipment	<u>5,090,856</u>	<u>353,749</u>	<u>(671,545)</u>	<u>4,773,060</u>
	<u>72,300,254</u>	<u>21,530,322</u>	<u>(4,210,379)</u>	<u>89,620,197</u>
Less accumulated depreciation for				
Buildings	(15,768,396)	(962,019)	404,243	(16,326,172)
Systems	(26,880,787)	(562,914)	3,134,591	(24,309,110)
Equipment	<u>(3,711,632)</u>	<u>(328,874)</u>	<u>671,545</u>	<u>(3,368,961)</u>
	<u>(46,360,815)</u>	<u>(1,853,807)</u>	<u>4,210,379</u>	<u>(44,004,243)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 46,292,034</u>	<u>\$19,821,454</u>	<u>\$ (17,203,488)</u>	<u>\$ 48,910,000</u>

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General government	\$ 135,071
Public safety	100,184
Public works	472,551
Public health and welfare	3,844
Culture and recreation	278,745
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	<u>249,153</u>
Total depreciation expense – governmental activities	<u>\$ 1,239,548</u>

Business-Type Activities:

Electric	\$ 401,234
Water	553,551
Sewer	244,323
Sanitation	90,922
Property Management	<u>563,777</u>
Total depreciation expense – business-type activities	<u>\$ 1,853,807</u>

NOTE -5 NOTES AND LOANS RECEIVABLE

NOTES/LOAN
RECEIVABLE

Governmental Activities

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

\$ 26,264

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

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between the City's funds for the reimbursement of expenditures. Related interfund receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position and will be settled within one year. The composition of due to / from other funds as of December 31, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Lodging Tax Tourism	<u>\$ 48,626</u>

Interfund Transfers:

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

The composition of interfund transfers as of December 31, 2019 is as follows:

	<u>Transfers From (To):</u>		
	<u>General</u>	<u>Non-Major</u>	<u>Total</u>
<u>Transfer To (From):</u>			
Water Utility	\$ 23,300	\$ -	\$ 23,300
Property Management	10,000	(187,070)	(177,070)
Non-Major Funds	<u>2,427</u>	<u>-</u>	<u>2,427</u>
	<u>\$ 35,727</u>	<u>\$ (187,070)</u>	<u>\$ (151,343)</u>

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

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

Interfund Borrowings:

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

The composition of borrowings to / from other funds as of December 31, 2019 is as follows:

<u>Borrowings to</u>	<u>Borrowings from</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Property Management	Electric Utility	\$ 146,072	\$ 824,628	\$ 970,700

NOTE -7 LONG -TERM DEBT

LOANS PAYABLE

The Water Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$9,812,211 with an interest rate of 4.0%. The loan proceeds were used to finance construction of a water treatment facility. The loan is payable in varying semi-annual installments of principal and interest beginning August 1, 2002 and maturing August 1, 2022. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues. As of December 31, 2019, \$1,955,923 is outstanding and \$608,509 is due within one year.

The Water Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$1,830,000, with a 0% interest rate. The loan proceeds were used to finance construction of water tanks. The loan is payable in semi-annual installments of \$47,500, beginning November 1, 2010 and maturing May 1, 2030. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues. As of December 31, 2019, \$960,750 is outstanding and \$91,500 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$358,400. The loan proceeds were used to finance lagoon improvements. The loan is payable in semi-annual installments of \$13,719 including interest at 4.5% per annum beginning November 1, 2000 and maturing May 1, 2020. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2019, the balance outstanding was paid in full.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$13,348,899. The loan proceeds are being used to finance construction of a waste water treatment facility. The loan is payable in varying semi-annual installments including interest at 2.17% per annum beginning August 1, 2015 and maturing August 1, 2037. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2019, \$11,266,996 is outstanding and \$536,084 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$3,000,000, with a 0% interest rate. The loan proceeds are being used to finance construction of a waste water treatment facility. The loan is payable in semi-annual installments of \$50,000, beginning May 1, 2019 and maturing November 1, 2048. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2019, \$2,900,000 is outstanding and \$100,000 is due within one year.

The Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$3,000,000. The loan proceeds are being used to finance construction of a waste water treatment facility. The loan is payable in semi-annual installments of \$54,612, including interest at 4.5% per annum beginning May 1, 2020 and maturing November 1, 2049. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues. As of December 31, 2019, \$3,000,000 is outstanding and \$41,441 is due within one year.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 LONG –TERM DEBT (Continued)

In connection with the above loan payables, the City is subject to various covenants with the Colorado Water Resources and Power Development Authority. The City is also required to maintain an operating and maintenance reserve fund in an amount equal to three months of operation and maintenance expenses, excluding depreciation. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities. As of December 31, 2019, the City was in compliance with all loan covenants and reported a restricted fund balance for operations and maintenance of \$516,000 and \$333,000 in the Water Utility Fund and Sewer Utility Fund, respectively.

The City issued a redevelopment and reimbursement agreement to a developer for building a hotel within the City. The agreement states that the City will reimburse the developer for eligible costs incurred by the developer in the amount of \$400,000. The loan is payable in yearly installments of \$34,730, including interest at 3.5% per annum, maturing May 16, 2024. As of December 31, 2019, \$156,808 is outstanding and \$29,242 is due within one year. For the year ended December 31, 2019, interest incurred and expensed was \$6,477.

Annual debt service requirements to maturity are as follows:

YEAR ENDING	BUSINESS-TYPE ACTIVITIES		GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ 1,377,534	\$ 325,560	\$ 29,242	\$ 5,488
2021	1,477,241	282,162	30,265	4,465
2022	1,543,154	211,171	31,325	3,405
2023	853,572	222,292	32,421	2,309
2024	869,068	210,813	33,555	1,175
2025 - 2029	4,478,079	910,705	-	-
2030 - 2034	4,299,513	685,717	-	-
2035 - 2039	3,207,997	171,219	-	-
2040 - 2044	1,025,399	20,719	-	-
2045 - 2049	952,111	9,570	-	-
TOTAL	<u>\$ 20,083,668</u>	<u>\$ 3,049,928</u>	<u>\$ 156,808</u>	<u>\$ 16,842</u>

The following is a summary of activity for long-term liabilities for the year ended December 31, 2019:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	DUE WITHIN ONE YEAR
<u>Governmental activities:</u>					
Reimbursement amt	\$ 185,061	\$ -	\$ (28,253)	\$ 156,808	\$ 29,242
Compensated absences	998,579	-	(71,970)	926,609	-
Net pension liabilities	<u>1,006,221</u>	<u>67,004</u>	<u>-</u>	<u>1,073,225</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 2,189,861</u>	<u>\$ 67,004</u>	<u>\$ (100,223)</u>	<u>\$ 2,156,642</u>	<u>\$ 29,242</u>
<u>Business-type activities:</u>					
Loans payable	\$18,436,579	\$ 3,000,000	\$ (1,352,911)	\$20,083,668	\$ 1,377,534
Estimated closure and post-closure costs	405,700	-	(122,300)	283,400	28,340
Compensated absences	<u>887,397</u>	<u>29,533</u>	<u>-</u>	<u>916,930</u>	<u>-</u>
Business-type activities					
Long-term liabilities	<u>\$19,729,676</u>	<u>\$ 3,029,533</u>	<u>\$ (1,475,211)</u>	<u>\$21,283,998</u>	<u>\$ 1,405,874</u>

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 LONG –TERM DEBT (Continued)

ESTIMATED CLOSURE AND POSTCLOSURE CARE COSTS

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

Based on the current allocation the City’s share is approximately 19% of the estimated \$1,468,000 in closure and postclosure costs amounting to \$283,400. These amounts are based on estimates of what it would cost to perform all closure and post closure care in 2019. Actual costs may be higher due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

Due to the significant decrease in the estimated closure and post closure costs from 2018 to 2019, the City’s allocation was reduced by \$122,300 and is reported as a special item on the statement of activities and statement of revenues, expenses and changes in net position in the Sanitation Utility Fund.

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

	<u>MANZANOLA</u>	<u>OTERO #1</u>	<u>OTERO #2</u>		
			<u>MODULE #1</u>	<u>MODULE #2</u>	<u>MODULE #3</u>
Percent of capacity	97%	100%	86%	85%	36%
Estimated closure date	2020	Closed	2021	2021	2024

CONDUIT DEBT

The City authorized the issuance of the “City of La Junta, Colorado, Industrial Development Revenue Bonds (Colorado Mennonite Retirement Center Project) Series 1997” in the amount of \$1,550,000. In 2007 the City authorized the issuance of the “City of La Junta, Colorado, Industrial Development Revenue Bonds (Colorado Mennonite Retirement Center Project) Series 2007” in the amount of \$1,225,000 to finance a project for Colorado Mennonite Retirement Center and refund bonds issued in 1997. The amount outstanding as of December 31, 2019 was \$1,020,000. The above debt does not constitute indebtedness of the City and does not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

The City authorized the issuance of a bond in the principal amount of \$2,900,000 designated as the “City of La Junta, Colorado Revenue Bond (Inspiration Field Project) Series 2011”. The aggregate amount of installments of principal amount of the “City of La Junta, Colorado Revenue Bond (Inspiration Field Project) Series 2011” purchased shall not exceed \$2,900,000. The amount outstanding as of December 31, 2019 was \$1,758,819. The above debt does not constitute indebtedness of the City and does not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

CASH WITH TRUSTEE

As of December 31, 2019, the City had cash held with trustees of \$1,571,701 in the Sewer Utility Fund for the use according to debt agreements entered into by the City. The trust cash balance is recorded in the balance due to the Colorado Water Resources and Power Development Authority (notes payable); therefore, the net position is not restricted for the balance.

NOTE -8 CONTINGENT LIABILITIES

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS

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

OLD HIRE FIRE PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

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

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

Investments - Investments are reported at fair value.

Plan Information

Plan Description - The City, on behalf of certain full-time paid Firefighters, contributes to the Old Hire Fire Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA) to administer the funds for the City. Assets of the plan are commingled for investment purposes in the Fire Member’s Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the City Council of the City of La Junta.

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

The following is a summary of the participants:

	<u>Old Hire Fire</u>
Retired Members	2
Beneficiaries	<u>2</u>
Total	<u><u>4</u></u>

Benefits Provided - The plan provides retirement benefits for members and beneficiaries according to the plan provisions and is as follows:

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

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Contributions

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

The contribution rate for members and the City for the Old Hire Fire Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2018 actuarial valuation. Total contribution for the year ended December 31, 2019 was \$71,924. The contribution of the City of La Junta Fire Department was equal to the required contribution for the year.

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

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2018:

Actuarial Cost Method – Entry Age Normal
Amortization Method – Level Dollar, Open*
Remaining Amortization Period – 19 years*
Asset Valuation Method – 5-Year smoothed fair value
Inflation – 2.50%
Salary Increases – N/A
Investment Rate of Return – 7.50%
Retirement Age – Any remaining actives are assumed to retire immediately
Mortality Rates – Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

Long-Term Expected Rate of Return on Pension Plan Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal 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 Nominal Rate of Return
Cash	2.00%	2.52%
Fixed Income	15.00%	2.90%
Managed Futures	4.00%	5.35%
Absolute Return	9.00%	5.08%
Equity Long/Short	9.00%	6.45%
Global Equity	37.00%	8.03%
Private Markets	24.00%	10.00%
Total	100.00%	

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.71% (based on the weekly rate closet to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statically release (H.15)); and the resulting Single Discount Rate is 7.50%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

Net Pension Liability

The net pension liability was measured at December 31, 2018, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2018, and the City's fiscal year ending date, or reporting date, is December 31, 2019.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2018	\$ 1,436,967	\$ 809,166	\$ 627,801
Change for the year:			
Interest	103,396	-	103,396
Difference between Expected & Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	60,388	(60,388)
Contributions – Member	-	-	-
Net Investment Income	-	1,285	(1,285)
Benefit payments	(118,843)	(118,843)	-
Administrative Expense	-	(3,616)	3,616
Net Changes	(15,447)	(60,786)	45,339
Balances at December 31, 2019	1,421,520	748,380	673,140

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the net pension liability of the City at December 31, 2019, for the measurement period ending December 31, 2018, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 805,365	\$ 673,140	\$ 559,412

Pension Plan Fiduciary Net Position – FPPA administers an agent multiple-employer Public Employee Retirement System ("PERS"). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publically available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2019; the City recognized pension revenue of \$8,146. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	61,239	29,350
Contributions subsequent to the measurement date	71,924	-
Total	\$ 133,163	\$ 29,350

\$71,924 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, 2019:	
2020	\$ 13,972
2021	4,851
2022	1,641
2023	11,425
2024	-
Thereafter	-
Total	31,889

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

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

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

Investments - Investments are reported at fair value.

Plan Information

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

The following is a summary of the participants:

	<u>Old Hire Police</u>
Retired Members	1
Beneficiaries	<u>2</u>
Total	<u>3</u>

Benefits Provided - The plan provides retirement benefits for members and beneficiaries according to the plan provisions and is as follows:

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

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

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

Contributions

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

The contribution rate for members and the City for the Old Hire Police Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2018 actuarial valuation. Total contribution for the year ended December 31, 2019 was \$55,128. The contribution of the City of La Junta Police Department was equal to the required contribution for the year.

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

Methods and Assumptions Used to Determine Contribution Rates for the fiscal Year Ending December 31, 2018:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar, Open*
- Remaining Amortization Period – 13 years*
- Asset Valuation Method – 5-Year smoothed fair value
- Inflation – 2.50%
- Salary Increases – N/A
- Investment Rate of Return – 7.50%
- Retirement Age – Any remaining actives are assumed to retire immediately

CITY OF LA JUNTA, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Mortality Rates –Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

Long-Term Expected Rate of Return on Pension Plan Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal 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 Nominal Rate of Return
Cash	2.00%	2.52%
Fixed Income	15.00%	2.90%
Managed Futures	4.00%	5.35%
Absolute Return	9.00%	5.08%
Equity Long/Short	9.00%	6.45%
Global Equity	37.00%	8.03%
Private Markets	24.00%	10.00%
Total	100.00%	

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.71% (based on the weekly rate closest to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statically release(H.15)); and the resulting Single Discount Rate is 7.50%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

Net Pension Liability

The net pension liability was measured at December 31, 2018, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2018, and the City's fiscal year ending date, or reporting date, is December 31, 2019.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)
Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2018	<u>\$ 1,054,328</u>	<u>\$ 675,908</u>	<u>\$ 378,420</u>
Change for the year:			
Interest	74,726	-	74,726
Difference between Expected & Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Contributions – Employer	-	55,128	(55,128)
Contributions – Member	-	-	-
Net Investment Income	-	1,334	(1,334)
Benefit payments	(118,106)	(118,106)	-
Administrative Expense	-	(3,401)	3,401
Net Changes	<u>(43,380)</u>	<u>(65,045)</u>	<u>21,665</u>
Balances at December 31, 2019	<u>1,010,948</u>	<u>610,863</u>	<u>400,085</u>

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the net pension liability of the City at December 31, 2019, for the measurement period ending December 31, 2018, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 481,822	\$ 400,085	\$ 329,124

Pension Plan Fiduciary Net Position – FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publically available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the ‘Annual Report’ link.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2019; the City recognized pension revenue of \$12,081. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	51,291	24,550
Contributions subsequent to the measurement date	55,128	-
Total	\$ 106,419	\$ 24,550

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

\$55,128 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 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, 2019:	
2020	\$ 12,110
2021	4,047
2022	1,201
2023	9,383
2024	-
Thereafter	-
Total	\$ 26,741

FIRE DEFINED CONTRIBUTION PLAN AND POLICE DEFINED CONTRIBUTION PLAN

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

The City is the trustee of the Fire Defined Contribution Plan and the Police Defined Contribution Plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plans.

Funding Policy - The City's total Fire and Police payroll for 2019 was \$558,853 and \$615,712, respectively. The City's contributions were calculated using a base salary amount of \$557,184 and \$586,986. Both City and the covered employees made the required 8 percent contribution, amounting to \$2,786 each for Firemen or a total of \$44,575 and \$2,609 each for Policemen or a total of \$46,959. As of December 31, 2019, the market value of assets held by the plans is \$481,405 for Fire and \$726,679 for Police.

CITY RETIREMENT – DEFINED CONTRIBUTION PLAN

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

The City is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

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

The City's total payroll in fiscal year 2019 was \$6,095,050. The City's contributions were calculated using the base salary amount of \$4,658,514. Both the City and the covered employees made the required contributions amounting to \$240,759 and \$283,352, respectively, for a total of \$524,111. As of December 31, 2019, the market value of assets held was \$12,665,374.

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 NET POSITION

Restricted net position represents net position whose users 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 is as follows:

	Governmental Activities	Business-Type Activities	Total
Emergencies - TABOR	\$ 279,000	\$ -	\$ 279,000
Capital Projects	88,020	-	88,020
Endowments - Nonexpendable	366,553	-	366,553
Conservation Trust	216,405	-	216,405
Operations and Maintenance	-	849,000	849,000
	<u>\$ 949,978</u>	<u>\$ 849,000</u>	<u>\$ 1,798,978</u>

Restricted for Emergencies - TABOR – This represents approximately 3% of the City's 2019 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City's net position can be used for declared emergencies only and the City must maintain 3% or more of its spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

Restricted for Capital Projects – This represents unspent cash received from the State of Colorado tax revenues for airport improvements.

Restricted for Endowments - Nonexpendable – This represents donations received for the Library and Cemetery in which the corpus must remain intact while the investment income can be used for culture and community welfare.

Restricted for Conservation Trust – This represents money received from the Colorado state for parks and open space related projects.

Restricted for Operations and Maintenance – The City is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation as set forth by the creditor.

NOTE -11 FUND BALANCES

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

	Restricted Fund Balance				
	Emergencies TABOR	Capital Projects	Conservation Trust	Endowments - Nonexpendable	Total
General Fund	\$ 279,000	\$ 88,020	\$ -	\$ -	\$ 367,020
Conservation Trust	-	-	216,405	-	216,405
Library					
Endowment	-	-	-	100,000	100,000
Cemetery					
Endowment	-	-	-	266,553	266,553
Total	<u>\$ 279,000</u>	<u>\$ 88,020</u>	<u>\$ 216,405</u>	<u>\$ 366,553</u>	<u>\$ 949,978</u>

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -11 FUND BALANCES (Continued)

	Assigned Fund Balance			
	Subsequent Years' Expenditures	Community and Economic Development	Surcharge	Total
General Fund	\$ 1,966,300	\$ -	\$ -	\$ 1,966,300
Economic Development	-	137,150	-	137,150
La Junta Urban Renewal Authority	-	277,839	-	277,839
La Junta Capital, Inc.	-	8,359	-	8,359
Moving Violation Surcharge	-	-	7,883	7,883
Lodging Tax Tourism	-	566,695	-	566,695
Total	<u>\$ 1,966,300</u>	<u>\$ 990,043</u>	<u>\$ 7,883</u>	<u>\$ 2,964,226</u>

NOTE -12 RELATED PARTY TRANSACTIONS

The City had expenditures of \$45,212 made to businesses owned by council members of which \$659 is recorded in accounts payable.

As indicated in Note -1, the City entered into an intergovernmental agreement with Otero County Landfill, Inc. (OCLI) regarding a landfill operation. For the year ended December 31, 2019, the City had paid OCLI \$203,331 for its share of the costs of which \$0 was due and recorded as accounts payable in the Sanitation Utility Fund. The City has recognized \$283,400 for its share of estimated closure and post closure care costs.

The City purchased \$8,946,905 of power from ARPA (a jointly governed entity), of which \$663,311 is recorded in accounts payable in the Electric Utility Fund, to be resold to its utility customers.

NOTE -13 UNEARNED LEASE REVENUES AND LEASES

Unearned Lease Revenue

The City's Property Management Fund has entered into three lease agreements with entities for space in which the lessee paid advance amounts for improvements of \$425,000, \$754,518 and \$65,000. The City would be required to refund a proportion of this based on the life of the lease if they terminate the lease early. It is being recognized over the terms of the lease agreements of 20 years or 40 years, as applicable, with the unamortized balance included in unearned lease revenues. As of December 31, 2019, the balance remaining was \$747,785 with \$24,030 reported as unearned lease revenues – current.

Leases

The future minimum rentals on noncancellable leases as of December 31, 2019 are as follows:

2020	\$ 1,135,144
2021	856,844
2022	806,092
2023	758,572
2024	704,851
Thereafter	3,788,864

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -14 RISK MANAGEMENT

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

All Colorado municipalities, which are members of the Colorado Municipal League, are eligible to participate in CIRSA. As of the most recent annual report filed, December 31, 2018, there were 275 members in the Property/Casualty/Liability Pool. CIRSA's general objectives are to provide member municipalities and special districts defined property and liability and workers' compensation coverage through joint self-insurance and excess insurance.

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

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

The City also handles health and life insurance claims for its employees. Premiums are charged to the employees as well as the City to cover medical claims with reinsurance provided by commercial carriers for claims in excess of \$35,000 annually. Incurred but not reported claims of \$143,000 have been accrued as a liability based primarily upon the claims administrator's historical estimate.

The following represents the changes in approximate aggregate liabilities for claims incurred but not reported for the City for the year ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Liability Balance January 1,	\$ 73,000	\$ 145,000
Claims and Changes in Estimates	1,267,954	547,141
Claims Payments	<u>(1,197,954)</u>	<u>(619,141)</u>
Liability Balance December 31,	<u>\$ 143,000</u>	<u>\$ 73,000</u>

NOTE -15 TAX SPENDING AND DEBT LIMITATIONS

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

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

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

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

CITY OF LA JUNTA, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -15 TAX SPENDING AND DEBT LIMITATIONS (Continued)

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

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

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

Emergency Reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. \$279,000 of the fund balance has been reserved in compliance with this requirement.

NOTE -16 SUBSEQUENT EVENTS

The Town evaluated its December 31, 2019 financial statements for subsequent events through the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact tax revenues and charges for services. Other financial impact could occur though such potential impact is unknown at this time.

NOTE -17 NEW ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board ("GASB") issued Statement No.87, *Leases*. The GASB is issuing this Statement to improve accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In May 2020, the Governmental Accounting Standards Board ("GASB") issued Statement No.95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement has postponed the effective date of GASB Statement No. 87, *Leases*, 18 months from December 15, 2019 to June 15, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA JUNTA, COLORADO

OLD HIRE FIRE PENSION FUND

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

YEAR ENDED DECEMBER 31, 2019

MEASUREMENT PERIOD ENDED DECEMBER 31,	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
SERVICE COST	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST	103,396	101,662	102,500	95,494	96,307
CHANGES TO BENEFIT TERMS	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE OF THE TOTAL PENSION LIABILITY	-	38,548	-	32,911	-
ASSUMPTION CHANGES	-	-	-	75,370	-
BENEFIT PAYMENTS	(118,843)	(115,382)	(112,021)	(108,759)	(105,591)
NET CHANGE IN TOTAL PENSION LIABILITY	(15,447)	24,828	(9,521)	95,016	(9,284)
TOTAL PENSION LIABILITY - BEGINNING	1,436,967	1,412,139	1,421,660	1,326,644	1,335,928
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$1,421,520</u>	<u>\$1,436,967</u>	<u>\$1,412,139</u>	<u>\$1,421,660</u>	<u>\$1,326,644</u>
PLAN FIDUCIARY NET POSITION					
CONTRIBUTIONS - EMPLOYER	\$ 60,388	\$ 60,388	\$ 48,084	\$ 48,084	\$ 44,595
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-
NET INVESTMENT INCOME	1,285	103,956	40,569	14,680	54,916
BENEFIT PAYMENTS	(118,843)	(115,382)	(112,021)	(108,759)	(105,591)
ADMINISTRATIVE EXPENSES	(3,616)	(1,253)	(3,084)	283	(4,139)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(60,786)	47,709	(26,452)	(45,712)	(10,219)
PLAN FIDUCIARY NET POSITION - BEGINNING	809,166	761,457	787,909	833,621	843,840
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 748,380</u>	<u>\$ 809,166</u>	<u>\$ 761,457</u>	<u>\$ 787,909</u>	<u>\$ 833,621</u>
PLAN'S NET PENSION LIABILITY - BEGINNING	627,801	650,682	633,751	493,023	492,088
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 673,140</u>	<u>\$ 627,801</u>	<u>\$ 650,682</u>	<u>\$ 633,751</u>	<u>\$ 493,023</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	52.65%	56.31%	53.92%	55.42%	62.84%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A

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

CITY OF LA JUNTA, COLORADO

OLD HIRE POLICE PENSION FUND

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

YEAR ENDED DECEMBER 31, 2019

MEASUREMENT PERIOD ENDED DECEMBER 31,	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
SERVICE COST	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST	74,726	80,293	82,572	75,714	77,860
CHANGES TO BENEFIT TERMS	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE OF THE TOTAL PENSION LIABILITY	-	(38,164)	-	61,291	-
ASSUMPTION CHANGES	-	-	-	64,117	-
BENEFIT PAYMENTS	(118,106)	(114,666)	(111,327)	(108,084)	(104,936)
NET CHANGE IN TOTAL PENSION LIABILITY	(43,380)	(72,537)	(28,755)	93,038	(27,076)
TOTAL PENSION LIABILITY - BEGINNING	1,054,328	1,126,865	1,155,620	1,062,582	1,089,658
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$1,010,948</u>	<u>\$1,054,328</u>	<u>\$1,126,865</u>	<u>\$1,155,620</u>	<u>\$1,062,582</u>
PLAN FIDUCIARY NET POSITION					
CONTRIBUTIONS - EMPLOYER	\$ 55,128	\$ 55,128	\$ 37,190	\$ 37,190	\$ 29,105
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-
NET INVESTMENT INCOME	1,334	87,372	34,775	13,305	50,250
BENEFIT PAYMENTS	(118,106)	(114,666)	(111,327)	(108,084)	(104,936)
ADMINISTRATIVE EXPENSES	(3,401)	(1,065)	(2,918)	(1,302)	(4,030)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(65,045)	26,769	(42,280)	(58,891)	(29,611)
PLAN FIDUCIARY NET POSITION - BEGINNING	675,908	649,139	691,419	750,310	779,921
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>\$ 610,863</u>	<u>\$ 675,908</u>	<u>\$ 649,139</u>	<u>\$ 691,419</u>	<u>\$ 750,310</u>
PLAN'S NET PENSION LIABILITY - BEGINNING	378,420	477,726	464,201	312,272	309,737
PLAN'S NET PENSION LIABILITY - ENDING (a) - (b)	<u>\$ 400,085</u>	<u>\$ 378,420</u>	<u>\$ 477,726</u>	<u>\$ 464,201</u>	<u>\$ 312,272</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	60.42%	64.11%	57.61%	59.83%	70.61%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A

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

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

<u>FY ENDING DECEMBER 31,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION*</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL</u>
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2019	\$ 71,924	\$ 71,924	\$ -	N/A	N/A
2018	\$ 60,388	\$ 60,388	\$ -	N/A	N/A
2017	\$ 60,388	\$ 60,388	\$ -	N/A	N/A
2016	\$ 48,084	\$ 48,084	\$ -	N/A	N/A
2015	\$ 48,084	\$ 48,084	\$ -	N/A	N/A
2014	\$ 44,595	\$ 44,595	\$ -	N/A	N/A
2013	\$ 44,595	\$ 44,595	\$ -	N/A	N/A
2012	\$ 29,031	\$ 29,031	\$ -	N/A	N/A
2011	\$ 29,031	\$ 29,031	\$ -	N/A	N/A
2010	\$ 7,074	\$ 7,074	\$ -	N/A	N/A

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

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

<u>FY ENDING DECEMBER 31,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION*</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL</u>
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2019	\$ 55,128	\$ 55,128	\$ -	N/A	N/A
2018	\$ 55,128	\$ 55,128	\$ -	N/A	N/A
2017	\$ 55,128	\$ 55,128	\$ -	N/A	N/A
2016	\$ 37,190	\$ 37,190	\$ -	N/A	N/A
2015	\$ 37,190	\$ 37,190	\$ -	N/A	N/A
2014	\$ 29,105	\$ 29,105	\$ -	N/A	N/A
2013	\$ 29,105	\$ 29,105	\$ -	N/A	N/A
2012	\$ 28,596	\$ 28,596	\$ -	N/A	N/A
2011	\$ 28,596	\$ 28,596	\$ -	N/A	N/A
2010	\$ -	\$ -	\$ -	N/A	N/A

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

CITY OF LA JUNTA, COLORADO

GENERAL FUND

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

YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
TAXES	\$ 5,425,300	\$ 5,425,300	\$ 5,559,637	\$ 134,337
LICENSES AND PERMITS	18,400	18,400	27,696	9,296
INTERGOVERNMENTAL	999,175	1,761,950	1,426,910	(335,040)
CHARGES FOR SERVICES	1,501,700	1,501,700	1,563,442	61,742
FINES	30,000	30,000	46,140	16,140
INTEREST	13,000	13,000	39,043	26,043
MISCELLANEOUS AND RENTALS	53,500	53,500	277,847	224,347
TOTAL REVENUES	8,041,075	8,803,850	8,940,715	136,865
EXPENDITURES				
GENERAL GOVERNMENT	3,344,165	4,173,765	2,843,788	1,329,977
PUBLIC SAFETY	2,797,856	2,811,906	2,914,886	(102,980)
PUBLIC WORKS	1,415,390	1,416,015	1,323,814	92,201
HEALTH AND WELFARE	368,000	368,000	335,921	32,079
CULTURE AND RECREATION	1,985,172	2,016,272	1,889,536	126,736
TOTAL EXPENDITURES	9,910,583	10,785,958	9,307,945	1,478,013
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,869,508)	(1,982,108)	(367,230)	1,614,878
OTHER FINANCING SOURCES				
TRANSFERS IN	10,000	10,000	35,727	25,727
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(1,859,508)	(1,972,108)	(331,503)	1,640,605
FUND BALANCE JANUARY 1	5,077,381	5,077,381	5,077,381	-
FUND BALANCE DECEMBER 31	\$ 3,217,873	\$ 3,105,273	\$ 4,745,878	\$ 1,640,605

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA JUNTA, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

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

Measurement Period: January 1, 2018 - December 31, 2018 for the Fiscal Year Ending December 31, 2019 (December 31, 2018 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS

Actuarial Assumptions

Valuation Date: January 1, 2016

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

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	- Entry Age Normal
Amortization Method	- Level Dollar, Open*
Remaining Amortization Period - Old Hire Fire	- 19 Years*
Remaining Amortization Period - Old Hire Police	- 13 Years*
Asset Valuation Method	- 5-Year smoothed fair value
Inflation	- 3.00%
Salary Increase	- N/A
Investment Rate of Return	- 7.50%
Retirement Age	- Any remaining actives are assumed to retire immediately
	Mortality Rates - Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
	Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

OTHER INFORMATION

CITY OF LA JUNTA, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CASH OR EQUIVALENTS	\$ 2,793,110	\$ 5,074,385
CASH WITH TRUSTEE	2,916	51,370
RESTRICTED CASH	88,020	100,947
INVESTMENTS	1,428,950	-
RECEIVABLES		
ACCOUNTS RECEIVABLE	52,920	38,018
ACCRUED INTEREST	401	1,438
PROPERTY TAXES RECEIVABLE	106,900	105,400
SALES TAX RECEIVABLE	436,593	400,732
DUE FROM OTHER GOVERNMENTS	114,171	50,031
DUE FROM OTHER FUNDS	48,626	40,436
TOTAL ASSETS	<u>\$ 5,072,607</u>	<u>\$ 5,862,757</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED PAYROLL TAXES	\$ 219,829	\$ 675,675
DUE TO OTHER FUNDS	-	4,301
TOTAL LIABILITIES	<u>219,829</u>	<u>679,976</u>
DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	<u>106,900</u>	<u>105,400</u>
FUND BALANCE		
RESTRICTED FOR EMERGENCIES - TABOR	279,000	239,000
RESTRICTED ASSETS	88,020	100,947
ASSIGNED FOR SUBSEQUENT YEARS' EXPENDITURES	1,966,300	1,277,600
UNASSIGNED	<u>2,412,558</u>	<u>3,459,834</u>
TOTAL FUND BALANCE	<u>4,745,878</u>	<u>5,077,381</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 5,072,607</u>	<u>\$ 5,862,757</u>

CITY OF LA JUNTA, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
REVENUES		
TAXES	\$ 5,559,637	\$ 5,393,951
LICENSES AND PERMITS	27,696	26,264
INTERGOVERNMENTAL	1,426,910	911,856
CHARGES FOR SERVICES	1,563,442	1,240,842
FINES	46,140	39,338
INTEREST	39,043	24,580
MISCELLANEOUS AND RENTALS	277,847	314,800
TOTAL REVENUES	8,940,715	7,951,631
EXPENDITURES		
GENERAL GOVERNMENT	2,843,788	1,816,419
PUBLIC SAFETY	2,914,886	2,709,194
PUBLIC WORKS	1,323,814	1,258,960
HEALTH AND WELFARE	335,921	374,234
CULTURE AND RECREATION	1,889,536	1,816,998
TOTAL EXPENDITURES	9,307,945	7,975,805
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(367,230)	(24,174)
OTHER FINANCING SOURCES		
TRANSFERS IN	35,727	27,089
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(331,503)	2,915
FUND BALANCE JANUARY 1	5,077,381	5,074,466
FUND BALANCE DECEMBER 31	\$ 4,745,878	\$ 5,077,381

CITY OF LA JUNTA, COLORADO

EXPLANATION OF FUNDS

DECEMBER 31, 2019

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Conservation Trust Fund – This fund is used to account for the collection and disbursement of revenues received from the Colorado state lottery and are restricted for parks and open space related projects.

Economic Development Fund – This fund is used to account for the collection and disbursement of specified federal and state grant revenues for the use of promoting the attraction of and retention of businesses.

La Junta Urban Renewal Authority Fund - This fund accounts for tax increment financing that is available to reinvest in the urban renewal district for property enhancements or new development incentives.

La Junta Capital Inc. Fund – This fund is used to account for the collection and disbursement of revenues received from donations and contributions for capital related projects.

Moving Violation Surcharge Fund – This fund accounts for the surcharge on certain fines and tickets to be used for the purchase of police department equipment and supplies.

Lodging Tax Tourism Fund – This fund is used for the collection and disbursement of lodging tax revenues to be used for the promotion and advertising of tourism for the City.

PERMANENT FUNDS

Library Endowment Fund – This fund accounts for the miscellaneous donations and contributions received to be expended in accordance with donor wishes. Interest earnings are restricted for expenditures related to the library through a transfer to the General Fund.

Cemetery Endowment Fund - This fund accounts for the miscellaneous donations and contributions received to be expended in accordance with donor wishes. Interest earnings are restricted for maintenance and operation of the cemetery through a transfer to the General Fund.

CITY OF LA JUNTA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2019

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.
ASSETS				
CASH OR EQUIVALENTS	\$ 216,405	\$ 137,251	\$ 166,950	\$ 8,359
INVESTMENTS	-	-	109,382	-
RECEIVABLES				
LODGING TAX RECEIVABLE	-	-	-	-
NOTES RECEIVABLE	-	-	26,264	-
OTHER	-	-	66	-
TOTAL ASSETS	<u>\$ 216,405</u>	<u>\$ 137,251</u>	<u>\$ 302,662</u>	<u>\$ 8,359</u>
LIABILITIES				
ACCOUNTS PAYABLE	\$ -	\$ 101	\$ -	\$ -
DUE TO OTHER FUNDS	-	-	-	-
UNEARNED REVENUE	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>101</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
NONSPENDABLE FOR:				
NOTES	-	-	24,823	-
RESTRICTED FOR:				
CONSERVATION TRUST	216,405	-	-	-
ENDOWMENTS - NONEXPENDABLE	-	-	-	-
ASSIGNED	-	137,150	277,839	8,359
TOTAL FUND BALANCE	<u>216,405</u>	<u>137,150</u>	<u>302,662</u>	<u>8,359</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 216,405</u>	<u>\$ 137,251</u>	<u>\$ 302,662</u>	<u>\$ 8,359</u>

MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUND
		LIBRARY ENDOWMENT	CEMETERY ENDOWMENT	
\$ 7,883	\$ 397,145	\$ 100,000	\$ 26,798	\$ 1,060,791
-	224,475	-	239,755	573,612
-	10,896	-	-	10,896
-	-	-	-	26,264
-	-	-	-	66
<u>\$ 7,883</u>	<u>\$ 632,516</u>	<u>\$ 100,000</u>	<u>\$ 266,553</u>	<u>\$ 1,671,629</u>
\$ -	\$ -	\$ -	\$ -	\$ 101
-	48,626	-	-	48,626
-	17,195	-	-	17,195
-	65,821	-	-	65,922
-	-	-	-	24,823
-	-	-	-	216,405
-	-	100,000	266,553	366,553
7,883	566,695	-	-	997,926
<u>7,883</u>	<u>566,695</u>	<u>100,000</u>	<u>266,553</u>	<u>1,605,707</u>
<u>\$ 7,883</u>	<u>\$ 632,516</u>	<u>\$ 100,000</u>	<u>\$ 266,553</u>	<u>\$ 1,671,629</u>

CITY OF LA JUNTA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE

YEAR ENDED DECEMBER 31, 2019

	SPECIAL REVENUE FUNDS			
	CONSERVATION TRUST	ECONOMIC DEVELOPMENT	URBAN RENEWAL AUTHORITY	LA JUNTA CAPITAL INC.
REVENUES				
TAXES	\$ -	\$ -	\$ 128,784	\$ -
INTERGOVERNMENTAL	91,999	-	-	-
INTEREST	88	876	3,087	32
OTHER	-	15,703	-	-
TOTAL REVENUES	92,087	16,579	131,871	32
EXPENDITURES				
GENERAL GOVERNMENT	12,728	-	10,114	39
ECONOMIC DEVELOPMENT	-	26,123	134,934	-
DEBT SERVICE	-	-	34,730	-
TOTAL EXPENDITURES	12,728	26,123	179,778	39
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	79,359	(9,544)	(47,907)	(7)
OTHER FINANCING SOURCES (USES)				
CONTRIBUTIONS	-	-	-	-
TRANSFER OUT	-	-	(187,070)	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	79,359	(9,544)	(234,977)	(7)
FUND BALANCE JANUARY 1	137,046	146,694	537,639	8,366
FUND BALANCE DECEMBER 31	\$ 216,405	\$ 137,150	\$ 302,662	\$ 8,359

MOVING VIOLATION SURCHARGE	LODGING TAX TOURISM	PERMANENT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
		LIBRARY ENDOWMENT	CEMETERY ENDOWMENT	
\$ -	\$ 200,146	\$ -	\$ -	\$ 328,930
-	-	-	-	91,999
-	4,917	417	2,371	11,788
777	6,555	-	1,744	24,779
777	211,618	417	4,115	457,496
-	82,598	-	-	105,479
-	-	-	-	161,057
-	-	-	-	34,730
-	82,598	-	-	301,266
777	129,020	417	4,115	156,230
-	-	-	3,173	3,173
-	-	(417)	(2,010)	(189,497)
777	129,020	-	5,278	(30,094)
7,106	437,675	100,000	261,275	1,635,801
\$ 7,883	\$ 566,695	\$ 100,000	\$ 266,553	\$ 1,605,707

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 216,405</u>	<u>\$ 137,046</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED	<u>216,405</u>	<u>137,046</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 216,405</u>	<u>\$ 137,046</u>

CITY OF LA JUNTA, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTERGOVERNMENTAL	\$ 91,999	\$ 67,000	\$ 24,999	\$ 69,500
INTEREST	88	200	(112)	51
TOTAL REVENUES	92,087	67,200	24,887	69,551
EXPENDITURES				
RECREATION	12,728	31,000	18,272	12,000
REVENUES OVER (UNDER) EXPENDITURES	79,359	36,200	43,159	57,551
FUND BALANCE JANUARY 1	137,046	137,046	-	79,495
FUND BALANCE DECEMBER 31	<u>\$ 216,405</u>	<u>\$ 173,246</u>	<u>\$ 43,159</u>	<u>\$ 137,046</u>

CITY OF LA JUNTA, COLORADO
ECONOMIC DEVELOPMENT FUND
BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 137,251</u>	<u>\$ 146,782</u>
 LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ 101</u>	<u>\$ 88</u>
 FUND BALANCE		
ASSIGNED	<u>137,150</u>	<u>146,694</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 137,251</u>	<u>\$ 146,782</u>

CITY OF LA JUNTA, COLORADO

ECONOMIC DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 876	\$ 400	\$ 476	\$ 818
GRANT	13,353	-	13,353	-
OTHER	2,350	-	2,350	-
TOTAL REVENUES	16,579	400	16,179	818
EXPENDITURES				
CONTRACT SERVICES	9,535	7,400	(2,135)	1,179
GRANT	13,353	-	(13,353)	-
MISCELLANEOUS	3,235	5,000	1,765	4,426
TOTAL EXPENDITURES	26,123	12,400	(13,723)	5,605
REVENUES OVER (UNDER) EXPENDITURES	(9,544)	(12,000)	2,456	(4,787)
FUND BALANCE JANUARY 1	146,694	146,694	-	151,481
FUND BALANCE DECEMBER 31	\$ 137,150	\$ 134,694	\$ 2,456	\$ 146,694

CITY OF LA JUNTA, COLORADO
LA JUNTA URBAN RENEWAL AUTHORITY
BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 166,950	\$ 492,632
INVESTMENTS	109,382	-
NOTES RECEIVABLE	26,264	69,869
ACCOUNTS RECEIVABLE	66	253
DEPOSITS	<u>-</u>	<u>1,250</u>
TOTAL ASSETS	<u><u>\$ 302,662</u></u>	<u><u>\$ 564,004</u></u>
LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ 26,365</u>
TOTAL LIABILITIES	<u>-</u>	<u>26,365</u>
FUND BALANCE		
NONSPENDABLE - NOTES RECEIVABLE	24,823	69,869
ASSIGNED	<u>277,839</u>	<u>467,770</u>
TOTAL FUND BALANCE	<u>302,662</u>	<u>537,639</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 302,662</u></u>	<u><u>\$ 564,004</u></u>

CITY OF LA JUNTA, COLORADO

LA JUNTA URBAN RENEWAL AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
PROPERTY TAXES	\$ 128,784	\$ 74,000	\$ 54,784	\$ 77,129
GRANTS	-	-	-	10,535
INTEREST	3,087	2,200	887	2,603
GAIN ON SALE OF ASSETS	-	-	-	2,986
MISCELLANEOUS	-	-	-	497
TOTAL REVENUES	131,871	76,200	55,671	93,750
EXPENDITURES				
ECONOMIC DEVELOPMENT	134,934	2,000	(132,934)	95,029
GENERAL GOVERNMENT	10,114	25,200	15,086	10,526
DEBT SERVICE	34,730	35,000	270	34,730
TOTAL EXPENDITURES	179,778	62,200	(117,578)	140,285
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(47,907)	14,000	(61,907)	(46,535)
OTHER FINANCING SOURCES				
TRANSFER OUT	(187,070)	(12,000)	(175,070)	(12,000)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(234,977)	2,000	(236,977)	(58,535)
FUND BALANCE JANUARY 1	537,639	537,639	-	596,174
FUND BALANCE DECEMBER 31	\$ 302,662	\$ 539,639	\$ (236,977)	\$ 537,639

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 8,359</u>	<u>\$ 8,366</u>
LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
ASSIGNED	<u>8,359</u>	<u>8,366</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,359</u>	<u>\$ 8,366</u>

CITY OF LA JUNTA, COLORADO

LA JUNTA CAPITAL, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST	\$ 32	\$ -	\$ 32	\$ 2
OTHER	-	500	(500)	-
TOTAL REVENUES	32	500	(468)	2
EXPENDITURES				
ADMINISTRATION	39	500	461	80
REVENUES OVER (UNDER) EXPENDITURES	(7)	-	(7)	(78)
FUND BALANCE JANUARY 1	8,366	8,366	-	8,444
FUND BALANCE DECEMBER 31	<u>\$ 8,359</u>	<u>\$ 8,366</u>	<u>\$ (7)</u>	<u>\$ 8,366</u>

CITY OF LA JUNTA, COLORADO
MOVING VIOLATION SURCHARGE
BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 7,883</u>	<u>\$ 7,106</u>
LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
ASSIGNED	<u> 7,883</u>	<u> 7,106</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,883</u>	<u>\$ 7,106</u>

CITY OF LA JUNTA, COLORADO

MOVING VIOLATION SURCHARGE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
SURCHARGE	\$ 777	\$ 500	\$ 277	\$ 802
EXPENDITURES				
GENERAL GOVERNMENT	-	1,000	1,000	-
REVENUES OVER EXPENDITURES	777	(500)	1,277	802
FUND BALANCE JANUARY 1	7,106	7,106	-	6,304
FUND BALANCE DECEMBER 31	<u>\$ 7,883</u>	<u>\$ 6,606</u>	<u>\$ 1,277</u>	<u>\$ 7,106</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CASH OR EQUIVALENTS	\$ 397,145	\$ 463,184
INVESTMENTS	224,475	-
TAX RECEIVABLE	10,896	14,959
TOTAL ASSETS	<u>\$ 632,516</u>	<u>\$ 478,143</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ 32
DUE TO OTHER FUNDS	48,626	40,436
UNEARNED REVENUE	17,195	-
TOTAL LIABILITIES	<u>65,821</u>	<u>40,468</u>
FUND BALANCE		
ASSIGNED	<u>566,695</u>	<u>437,675</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 632,516</u>	<u>\$ 478,143</u>

CITY OF LA JUNTA, COLORADO

LODGING TAX TOURISM FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
TOURISM TAX	\$ 200,146	\$ 150,000	\$ 50,146	\$ 185,321
GRANTS	6,555	10,000	(3,445)	-
INTEREST	4,917	100	4,817	101
TOTAL REVENUES	211,618	160,100	51,518	185,422
EXPENDITURES				
ADVERTISING	23,017	57,500	34,483	44,998
SUPPLIES	518	5,000	4,482	5,000
EVENTS	45,983	52,000	6,017	46,644
ADMINISTRATIVE FEES	6,126	5,000	(1,126)	5,436
GRANTS	6,555	10,000	3,445	-
MISCELLANEOUS	399	700	301	1,072
TOTAL EXPENDITURES	82,598	130,200	47,602	103,150
REVENUES OVER (UNDER) EXPENDITURES	129,020	29,900	99,120	82,272
FUND BALANCE JANUARY 1	437,675	437,675	-	355,403
FUND BALANCE DECEMBER 31	\$ 566,695	\$ 467,575	\$ 99,120	\$ 437,675

CITY OF LA JUNTA, COLORADO

LIBRARY ENDOWMENT FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH IN SAVINGS	<u>\$ 100,000</u>	<u>\$ 100,000</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	<u>100,000</u>	<u>100,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 100,000</u>	<u>\$ 100,000</u>

CITY OF LA JUNTA, COLORADO

LIBRARY ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 417	\$ 200	\$ 217	\$ 200
EXPENDITURES	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE TRANSFER	417	200	217	200
TRANSFER	(417)	(200)	(217)	(200)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE JANUARY 1	100,000	100,000	-	100,000
FUND BALANCE DECEMBER 31	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

CITY OF LA JUNTA, COLORADO
CEMETERY ENDOWMENT FUND
BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH AND EQUIVALENTS	\$ 26,798	\$ 157,065
INVESTMENTS	239,755	99,417
ACCRUED INTEREST RECEIVABLE	-	497
DUE FROM OTHER FUNDS	<u>-</u>	<u>4,301</u>
TOTAL ASSETS	<u><u>\$ 266,553</u></u>	<u><u>\$ 261,280</u></u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ 5
FUND BALANCE		
RESTRICTED FOR ENDOWMENTS	<u>266,553</u>	<u>261,275</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 266,553</u></u>	<u><u>\$ 261,280</u></u>

CITY OF LA JUNTA

CEMETERY ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	FINAL BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ 2,371	\$ 400	\$ 1,971	\$ 1,490
OTHER	1,744	-	1,744	-
TOTAL REVENUES	4,115	400	3,715	1,490
EXPENDITURES				
GENERAL GOVERNMENT	-	-	-	-
REVENUES OVER EXPENDITURES BEFORE CONTRIBUTIONS AND TRANSFERS	4,115	400	3,715	1,490
CONTRIBUTIONS	3,173	3,500	(327)	3,337
TRANSFERS	(2,010)	(400)	(1,610)	(964)
NET CHANGE IN FUND BALANCE	5,278	3,500	1,778	3,863
FUND BALANCE JANUARY 1	261,275	261,275	-	257,412
FUND BALANCE DECEMBER 31	<u>\$ 266,553</u>	<u>\$ 264,775</u>	<u>\$ 1,778</u>	<u>\$ 261,275</u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	2019	2018
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 2,535,725	\$ 3,928,794
INVESTMENTS	1,436,445	211,149
ACCOUNTS RECEIVABLE BILLED CUSTOMERS - NET	639,486	647,869
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	598,700	616,100
BORROWINGS TO OTHER FUND - CURRENT	146,072	140,354
INVENTORIES	1,627,140	1,657,355
PREPAID AND ACCRUALS	1,174	5,294
TOTAL CURRENT ASSETS	6,984,742	7,206,915
PROPERTY AND EQUIPMENT		
LAND, ELECTRIC SYSTEM, AND EQUIPMENT	17,898,426	17,486,928
ACCUMULATED DEPRECIATION	(14,459,750)	(14,127,851)
NET PROPERTY AND EQUIPMENT	3,438,676	3,359,077
OTHER ASSETS		
BORROWINGS TO OTHER FUND	824,628	970,699
TOTAL ASSETS	\$ 11,248,046	\$ 11,536,691
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 836,466	\$ 721,139
CUSTOMER DEPOSITS	199,885	161,596
UNEARNED REVENUE	-	73,609
TOTAL CURRENT LIABILITIES	1,036,351	956,344
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	373,311	362,531
TOTAL LIABILITIES	1,409,662	1,318,875
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	3,438,676	3,359,077
UNRESTRICTED	6,399,708	6,858,739
TOTAL NET POSITION	9,838,384	10,217,816
TOTAL LIABILITIES AND NET POSITION	\$ 11,248,046	\$ 11,536,691

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 11,445,871	\$ 11,794,034
TOTAL OPERATING REVENUES	11,445,871	11,794,034
OPERATING EXPENSES		
GENERATION	9,363,029	9,720,413
DISTRIBUTION	1,005,192	1,004,866
ACCOUNTING AND GENERAL ADMINISTRATION	1,419,066	1,229,817
DEPRECIATION	401,234	433,403
TOTAL OPERATING EXPENSES	12,188,521	12,388,499
OPERATING (LOSS) INCOME	(742,650)	(594,465)
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	83,847	72,818
OTHER	274,319	98,316
GAIN (LOSS) ON SALE OF ASSETS	5,052	(56,712)
TOTAL NONOPERATING REVENUES	363,218	114,422
CHANGE IN NET POSITION	(379,432)	(480,043)
NET POSITION JANUARY 1	10,217,816	10,697,859
NET POSITION DECEMBER 31	\$ 9,838,384	\$ 10,217,816

CITY OF LA JUNTA, COLORADO
ELECTRIC UTILITY FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 11,471,654	\$ 11,798,428
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	<u>(11,748,610)</u>	<u>(11,875,913)</u>
NET CASH FLOWS USED BY OPERATING ACTIVITIES	<u>(276,956)</u>	<u>(77,485)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
OTHER REVENUES	200,710	171,925
CUSTOMER DEPOSITS	<u>38,289</u>	<u>26,920</u>
NET CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>238,999</u>	<u>198,845</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(361,502)	(211,115)
CASH PROCEEDS FROM SALE OF ASSET	5,052	-
BORROWINGS TO OTHER FUND	<u>140,353</u>	<u>134,859</u>
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(216,097)</u>	<u>(76,256)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND LOANS	58,474	72,899
PURCHASE OF INVESTMENTS	(1,408,638)	(211,149)
CASH PROCEEDS FROM SALE OF INVESTMENTS	<u>211,149</u>	<u>-</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>(1,139,015)</u>	<u>(138,250)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,393,069)	(93,146)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>3,928,794</u>	<u>4,021,940</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u><u>\$ 2,535,725</u></u>	<u><u>\$ 3,928,794</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ (742,650)	\$ (594,465)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	401,234	433,403
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE AND PREPAIDS	27,469	2,574
(INCREASE) DECREASE IN INVENTORIES	30,215	68,530
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(4,004)	(8,971)
INCREASE (DECREASE) IN ACCRUED BENEFITS	10,780	24,352
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	<u>-</u>	<u>(2,908)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (276,956)</u></u>	<u><u>\$ (77,485)</u></u>
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	<u><u>\$ 119,331</u></u>	<u><u>\$ -</u></u>

CITY OF LA JUNTA, COLORADO

ELECTRIC UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 11,260,000	\$ 11,260,000	\$ 11,445,871	\$ 185,871
INTEREST INCOME	57,000	57,000	83,847	26,847
OTHER	95,000	95,000	279,371	184,371
TOTAL REVENUES	11,412,000	11,412,000	11,809,089	397,089
EXPENDITURES				
GENERATION	9,315,500	9,315,500	9,363,029	(47,529)
DISTRIBUTION	1,039,800	1,039,800	1,005,192	34,608
GENERAL ADMINISTRATION	1,380,800	1,380,800	1,419,066	(38,266)
DEPRECIATION	450,000	450,000	401,234	48,766
CAPITAL OUTLAY	448,000	448,000	480,833	(32,833)
TOTAL EXPENDITURES	12,634,100	12,634,100	12,669,354	(35,254)
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(1,222,100)	(1,222,100)	(860,265)	361,835
OTHER FINANCING SOURCES (USES)				
PROCEEDS FROM BORROWING	182,000	182,000	140,353	(41,647)
	<u>\$ (1,040,100)</u>	<u>\$ (1,040,100)</u>	<u>(719,912)</u>	<u>\$ 320,188</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			480,833	
PROCEEDS FROM BORROWING			<u>(140,353)</u>	
TOTAL ADJUSTMENTS TO BASIS			<u>340,480</u>	
CHANGE IN NET POSITION			(379,432)	
TOTAL NET POSITION JANUARY 1			<u>10,217,816</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 9,838,384</u>	

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	2019	2018
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 338,930	\$ 615,311
ACCOUNTS RECEIVABLE - CUSTOMERS	156,260	142,258
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	75,600	89,800
INVENTORIES	441,066	414,168
WATER INVENTORY	36,776	36,076
PREPAID AND ACCRUALS	26,389	30,372
TOTAL CURRENT ASSETS	1,075,021	1,327,985
PROPERTY AND EQUIPMENT		
LAND, WATER SYSTEM, AND EQUIPMENT	25,921,717	25,879,916
ACCUMULATED DEPRECIATION	(13,284,346)	(12,977,262)
NET PROPERTY AND EQUIPMENT	12,637,371	12,902,654
TOTAL ASSETS	\$ 13,712,392	\$ 14,230,639
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 25,369	\$ 120,318
ACCRUED WATER STORAGE FEE	9,019	9,019
ACCRUED LOAN INTEREST	33,263	36,614
UNEARNED REVENUE - WATER LEASES	7,695	10,242
CURRENT PORTION - LOAN PAYABLE	700,009	683,710
TOTAL CURRENT LIABILITIES	775,355	859,903
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	203,387	195,113
LOAN PAYABLE	2,216,663	2,916,673
TOTAL NONCURRENT LIABILITIES	2,420,050	3,111,786
TOTAL LIABILITIES	3,195,405	3,971,689
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	9,720,699	9,302,271
RESTRICTED FOR OPERATIONS & MAINTENANCE	516,000	510,000
UNRESTRICTED	280,288	446,679
TOTAL NET POSITION	10,516,987	10,258,950
TOTAL LIABILITIES AND NET POSITION	\$ 13,712,392	\$ 14,230,639

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 2,771,964	\$ 2,876,602
OTHER BILLINGS	145,873	129,619
TOTAL OPERATING REVENUES	2,917,837	3,006,221
OPERATING EXPENSES		
SOURCE OF SUPPLY	124,280	132,819
POWER AND PUMPING	230,001	254,148
PURIFICATION	693,595	647,579
TRANSMISSION AND STORAGE	29,495	44,545
DISTRIBUTION	318,685	347,051
ACCOUNTING AND GENERAL ADMINISTRATION	641,271	594,412
DEPRECIATION	553,551	504,161
TOTAL OPERATING EXPENSES	2,590,878	2,524,715
OPERATING INCOME	326,959	481,506
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	2,295	2,060
INTEREST EXPENSE	(90,774)	(99,038)
RENT AND OTHER	24,049	25,914
GAIN (LOSS) ON SALE OF ASSETS	3,013	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(61,417)	(71,064)
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	265,542	410,442
TRANSFERS OUT	(23,300)	(17,089)
CAPITAL CONTRIBUTIONS	15,795	30,042
CHANGE IN NET POSITION	258,037	423,395
NET POSITION JANUARY 1	10,258,950	9,835,555
NET POSITION DECEMBER 31	\$ 10,516,987	\$ 10,258,950

CITY OF LA JUNTA, COLORADO
WATER UTILITY FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,772,162	\$ 2,882,039
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(2,061,208)	(2,015,517)
OTHER OPERATING REVENUES	145,873	129,619
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	856,827	996,141
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS OUT	(23,300)	(17,089)
RENTS RECEIVED AND OTHER	21,502	27,698
NET CASH FLOWS PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(1,798)	10,609
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(374,677)	(143,685)
CASH PROCEEDS FROM SALE OF ASSETS	3,013	-
CAPITAL CONTRIBUTED	15,795	30,042
PRINCIPAL PAID ON LOANS PAYABLE	(683,711)	(667,410)
INTEREST PAID ON LOANS PAYABLE	(94,125)	(113,173)
NET CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(1,133,705)	(894,226)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	2,295	2,635
NET CHANGE IN CASH AND CASH EQUIVALENTS	(276,381)	115,159
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	615,311	500,152
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 338,930	\$ 615,311
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 326,959	\$ 481,506
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	553,551	504,161
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	198	5,437
(INCREASE) DECREASE IN INVENTORIES	(27,598)	(14,704)
(INCREASE) DECREASE IN PREPAIDS	3,983	(5,298)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(8,540)	23,868
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	-	(2,908)
INCREASE (DECREASE) IN ACCRUED EXPENSES	8,274	4,079
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 856,827	\$ 996,141
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ -	\$ 86,409

CITY OF LA JUNTA, COLORADO

WATER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 2,843,300	\$ 2,843,300	\$ 2,771,964	\$ (71,336)
INTEREST INCOME	1,000	1,000	2,295	1,295
OTHER BILLINGS AND INCOME	176,400	176,400	172,935	(3,465)
TOTAL REVENUES	3,020,700	3,020,700	2,947,194	(73,506)
EXPENDITURES				
SOURCE OF SUPPLY	152,600	152,600	124,280	28,320
POWER AND PUMPING	263,700	263,700	230,001	33,699
PURIFICATION	740,000	740,000	693,595	46,405
TRANSMISSION AND STORAGE	49,700	49,700	29,495	20,205
DISTRIBUTION	376,900	376,900	318,685	58,215
GENERAL ADMINISTRATION	645,800	645,800	641,271	4,529
DEPRECIATION AND AMORTIZATION	510,000	510,000	553,551	(43,551)
INTEREST	104,600	104,600	90,774	13,826
CAPITAL OUTLAY	440,000	440,000	288,268	151,732
DEBT SERVICE	671,500	684,500	683,711	789
TOTAL EXPENDITURES	3,954,800	3,967,800	3,653,631	314,169
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(934,100)	(947,100)	(706,437)	240,663
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT	-	-	(23,300)	(23,300)
CONTRIBUTIONS	5,000	5,000	15,795	10,795
	\$ (929,100)	\$ (942,100)	(713,942)	\$ 228,158
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			288,268	
PRINCIPAL PAID ON LOANS			683,711	
TOTAL ADJUSTMENTS TO BASIS			971,979	
CHANGE IN NET POSITION			258,037	
TOTAL NET POSITION JANUARY 1			10,258,950	
TOTAL NET POSITION DECEMBER 31			\$ 10,516,987	

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	2019	2018
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 531,949	\$ 258,548
CASH WITH TRUSTEE	1,571,701	2,934,650
INVESTMENTS	50,968	50,218
ACCOUNTS RECEIVABLE - CUSTOMERS	182,962	175,518
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	101,300	96,900
INVENTORIES	18,811	18,387
PREPAID AND ACCRUALS	-	1,195
TOTAL CURRENT ASSETS	2,457,691	3,535,416
PROPERTY AND EQUIPMENT		
LAND, SEWER SYSTEM, AND EQUIPMENT	28,601,201	29,186,084
ACCUMULATED DEPRECIATION	(5,743,832)	(9,411,254)
NET PROPERTY AND EQUIPMENT	22,857,369	19,774,830
TOTAL ASSETS	\$ 25,315,060	\$ 23,310,246
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 831,080	\$ 1,940,903
ACCRUED INTEREST	101,716	95,226
CURRENT PORTION - LOANS PAYABLE	677,525	655,783
TOTAL CURRENT LIABILITIES	1,610,321	2,691,912
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	211,409	205,723
LOANS PAYABLE	16,489,471	14,180,413
TOTAL NONCURRENT LIABILITIES	16,700,880	14,386,136
TOTAL LIABILITIES	18,311,201	17,078,048
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	7,262,074	7,873,284
RESTRICTED FOR OPERATIONS & MAINTENANCE	333,000	349,000
UNRESTRICTED	(591,215)	(1,990,086)
TOTAL NET POSITION	7,003,859	6,232,198
TOTAL LIABILITIES AND NET POSITION	\$ 25,315,060	\$ 23,310,246

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 2,473,065	\$ 2,448,731
OPERATING EXPENSES		
COLLECTION SYSTEM	299,096	275,705
PUMPING STATIONS	79,419	74,042
TREATMENT PLANT	561,195	658,339
PRETREATMENT	62,977	57,858
ACCOUNTING AND GENERAL ADMINISTRATION	327,248	327,158
DEPRECIATION	244,323	262,409
TOTAL OPERATING EXPENSES	1,574,258	1,655,511
OPERATING INCOME (LOSS)	898,807	793,220
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	1,255	647
INTEREST EXPENSE	(139,881)	-
GRANT AND OTHER	8,640	256,847
GAIN (LOSS) ON SALE OF ASSETS	840	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(129,146)	257,494
INCOME BEFORE CAPITAL CONTRIBUTIONS	769,661	1,050,714
CAPITAL CONTRIBUTIONS	2,000	3,300
CHANGE IN NET POSITION	771,661	1,054,014
NET POSITION JANUARY 1	6,232,198	5,178,184
NET POSITION DECEMBER 31	\$ 7,003,859	\$ 6,232,198

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 2,461,221	\$ 2,440,646
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(1,319,379)	(1,383,434)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,141,842	1,057,212
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
GRANT AND OTHER	8,640	256,847
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(4,441,015)	(10,953,721)
CASH PROCEEDS FROM SALE OF ASSET	840	-
CAPITAL CONTRIBUTED	2,000	3,300
LOAN PROCEEDS	3,000,000	3,000,000
PRINCIPAL PAID ON LOANS PAYABLE	(669,200)	(542,272)
INTEREST PAID ON LOANS PAYABLE	(133,391)	(13,415)
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,240,766)	(8,506,108)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	736	416
PURCHASE OF INVESTMENTS	-	(50,218)
NET CASH FLOWS USED BY INVESTING ACTIVITIES	736	(49,802)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,089,548)	(7,241,851)
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - BEGINNING OF YEAR	3,193,198	10,435,049
CASH, EQUIVALENTS AND CASH WITH TRUSTEE - END OF YEAR	\$ 2,103,650	\$ 3,193,198
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 898,807	\$ 793,220
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	244,323	262,409
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(11,844)	(8,085)
(INCREASE) DECREASE IN INVENTORIES	(424)	764
(INCREASE) DECREASE IN PREPAIDS	964	(964)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	4,330	(7,642)
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	-	(2,120)
INCREASE (DECREASE) IN ACCRUED BENEFITS	5,686	19,630
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,141,842	\$ 1,057,212
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ 820,591	\$ 1,934,744

CITY OF LA JUNTA, COLORADO

SEWER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 2,472,000	\$ 2,472,000	\$ 2,473,065	\$ 1,065
INTEREST INCOME	1,000	1,000	1,255	255
OTHER INCOME (LOSS)	10,000	10,000	9,480	(520)
TOTAL REVENUES	2,483,000	2,483,000	2,483,800	800
EXPENDITURES				
COLLECTION SYSTEM	270,000	270,000	299,096	(29,096)
PUMPING STATION	90,700	90,700	79,419	11,281
TREATMENT PLANT	702,400	702,400	561,195	141,205
PRETREATMENT	60,500	60,500	62,977	(2,477)
GENERAL ADMINISTRATION	347,700	347,700	327,248	20,452
DEPRECIATION	275,000	275,000	244,323	30,677
INTEREST	138,800	138,800	139,881	(1,081)
CAPITAL OUTLAY	5,125,000	5,125,000	3,326,863	1,798,137
DEBT SERVICE	529,900	669,900	669,200	700
TOTAL EXPENDITURES	7,540,000	7,680,000	5,710,202	1,969,798
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(5,057,000)	(5,197,000)	(3,226,402)	1,970,598
OTHER FINANCING SOURCES				
BOND PROCEEDS	5,000,000	5,000,000	3,000,000	(2,000,000)
CONTRIBUTIONS	-	-	2,000	2,000
	<u>\$ (57,000)</u>	<u>\$ (197,000)</u>	<u>(224,402)</u>	<u>\$ (27,402)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR:				
CAPITALIZATION OF FIXED ASSETS			3,326,863	
PRINCIPAL PAID ON LOANS			669,200	
BOND PROCEEDS			<u>(3,000,000)</u>	
TOTAL ADJUSTMENTS TO BASIS			<u>996,063</u>	
CHANGE IN NET POSITION			771,661	
TOTAL NET POSITION JANUARY 1			<u>6,232,198</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 7,003,859</u>	

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	2019	2018
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,208,383	\$ 1,321,530
INVESTMENTS	300,692	100,431
ACCOUNTS RECEIVABLE - CUSTOMERS	65,183	56,317
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	35,700	33,400
PREPAID AND ACCRUALS	271	2,035
TOTAL CURRENT ASSETS	1,610,229	1,513,713
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	934,711	934,711
ACCUMULATED DEPRECIATION	(539,544)	(448,622)
NET PROPERTY AND EQUIPMENT	395,167	486,089
TOTAL ASSETS	\$ 2,005,396	\$ 1,999,802
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 444	\$ 6,430
CURRENT PORTION - LANDFILL COSTS	28,340	101,425
TOTAL CURRENT LIABILITIES	28,784	107,855
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	47,110	34,273
ACCRUED CLOSURE AND POST CLOSURE COSTS	255,060	304,275
TOTAL NONCURRENT LIABILITIES	302,170	338,548
TOTAL LIABILITIES	330,954	446,403
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	395,167	486,089
UNRESTRICTED	1,279,275	1,067,310
TOTAL NET POSITION	1,674,442	1,553,399
TOTAL LIABILITIES AND NET POSITION	\$ 2,005,396	\$ 1,999,802

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 892,642	\$ 849,896
OTHER BILLINGS	58,500	44,031
TOTAL OPERATING REVENUES	951,142	893,927
OPERATING EXPENSES		
SALARIES AND BENEFITS	370,012	328,288
SUPPLIES	53,857	65,088
MAINTENANCE	96,967	99,413
RECYCLING	25,339	15,634
LANDFILL AND POST CLOSURE COSTS	203,331	188,367
ACCOUNTING AND GENERAL ADMINISTRATION	118,706	105,274
DEPRECIATION	90,922	59,171
TOTAL OPERATING EXPENSES	959,134	861,235
OPERATING INCOME	(7,992)	32,692
NONOPERATING REVENUES		
INTEREST INCOME	6,735	1,659
TOTAL NONOPERATING REVENUES	6,735	1,659
INCOME BEFORE SPECIAL ITEM	(1,257)	34,351
SPECIAL ITEM		
CHANGE IN ACCOUNTING ESTIMATE	122,300	126,300
CHANGE IN NET POSITION	121,043	160,651
NET POSITION JANUARY 1	1,553,399	1,392,748
NET POSITION DECEMBER 31	\$ 1,674,442	\$ 1,553,399

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 881,476	\$ 855,809
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(859,691)	(793,656)
OTHER OPERATING REVENUES	58,500	44,031
NET CASH PROVIDED BY OPERATING ACTIVITIES	80,285	106,184
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	-	(294,541)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	5,557	1,451
PURCHASE OF INVESTMENTS	(399,309)	(100,431)
CASH PROCEEDS FROM SALE OF INVESTMENTS	200,320	-
NET CASH FLOWS USED BY INVESTING ACTIVITIES	(193,432)	(98,980)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(113,147)	(287,337)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,321,530	1,608,867
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,208,383	\$ 1,321,530
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (7,992)	\$ 32,692
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	90,922	59,171
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(11,166)	5,913
(INCREASE) DECREASE IN INVENTORIES	-	9,000
(INCREASE) DECREASE IN PREPAIDS	1,670	(1,670)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(5,986)	19
INCREASE (DECREASE) IN DUE TO OTHER FUNDS	-	(3,346)
INCREASE (DECREASE) IN ACCRUED BENEFITS	12,837	4,405
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 80,285	\$ 106,184

CITY OF LA JUNTA, COLORADO

SANITATION UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 840,300	\$ 840,300	\$ 892,642	\$ 52,342
INTEREST	600	600	6,735	6,135
OTHER BILLINGS	32,000	39,000	58,500	19,500
TOTAL REVENUES	872,900	879,900	957,877	77,977
EXPENDITURES				
SALARIES AND BENEFITS	432,600	432,600	370,012	62,588
SUPPLIES	59,500	59,500	53,857	5,643
MAINTENANCE	98,300	98,300	96,967	1,333
RECYCLING	16,000	23,000	25,339	(2,339)
LANDFILL AND POST CLOSURE COSTS	210,100	210,100	203,331	6,769
GENERAL ADMINISTRATION	122,300	122,300	118,706	3,594
DEPRECIATION	100,000	100,000	90,922	9,078
TOTAL EXPENDITURES	1,038,800	1,045,800	959,134	86,666
REVENUE OVER (UNDER) EXPENDITURES	(165,900)	(165,900)	(1,257)	164,643
SPECIAL ITEM				
CHANGE IN ACCOUNTING ESTIMATE	-	-	122,300	122,300
	<u>\$ (165,900)</u>	<u>\$ (165,900)</u>	121,043	<u>\$ 286,943</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR: CAPITALIZATION OF FIXED ASSETS			-	
CHANGE IN NET POSITION			121,043	
TOTAL NET POSITION JANUARY 1			<u>1,553,399</u>	
TOTAL NET POSITION DECEMBER 31			<u>\$ 1,674,442</u>	

CITY OF LA JUNTA, COLORADO
PROPERTY MANAGEMENT FUND
BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	2019	2018
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,009,964	\$ 886,081
RENT RECEIVABLE	5,310	25,486
PREPAID AND ACCRUALS	-	845
	<u>1,015,274</u>	<u>912,412</u>
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
STRUCTURES AND EQUIPMENT	19,558,188	19,165,210
ACCUMULATED DEPRECIATION	(9,976,771)	(9,395,826)
	<u>9,581,417</u>	<u>9,769,384</u>
NET PROPERTY AND EQUIPMENT		
TOTAL ASSETS	<u><u>\$ 10,596,691</u></u>	<u><u>\$ 10,681,796</u></u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 10,413	\$ 5,963
ACCRUED PROPERTY TAXES	47,541	46,474
UNEARNED REVENUES - CURRENT	-	25,807
UNEARNED LEASE REVENUES - CURRENT	39,758	61,820
BORROWINGS FROM OTHER FUND - CURRENT	146,072	140,354
	<u>243,784</u>	<u>280,418</u>
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	81,713	89,757
UNEARNED LEASE REVENUES	723,755	747,785
BORROWINGS FROM OTHER FUND	824,628	970,699
	<u>1,630,096</u>	<u>1,808,241</u>
TOTAL NONCURRENT LIABILITIES		
TOTAL LIABILITIES	<u>1,873,880</u>	<u>2,088,659</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	8,610,717	8,658,331
UNRESTRICTED	112,094	(65,194)
	<u>8,722,811</u>	<u>8,593,137</u>
TOTAL NET POSITION		
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 10,596,691</u></u>	<u><u>\$ 10,681,796</u></u>

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
RENT	\$ 1,200,591	\$ 1,120,252
OPERATING EXPENSES		
SALARIES AND BENEFITS	288,326	297,597
SUPPLIES	11,184	14,383
UTILITIES	120,011	100,820
MAINTENANCE	94,257	87,878
PROPERTY TAXES	48,546	47,704
GENERAL ADMINISTRATION	177,935	192,534
DEPRECIATION	563,777	580,142
TOTAL OPERATING EXPENSES	1,304,036	1,321,058
OPERATING INCOME (LOSS)	(103,445)	(200,806)
NONOPERATING REVENUES (EXPENSES)		
INTEREST	2,276	1,527
INSURANCE PROCEEDS	42,902	-
GAIN (LOSS) ON SALE OF ASSET	3,218	803
GRANTS AND CONTRIBUTIONS	-	124,761
OTHER	7,653	2,080
TOTAL NONOPERATING REVENUES (EXPENSES)	56,049	129,171
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	(47,396)	(71,635)
OTHER FINANCING SOURCES (USES)		
TRANSFERS IN (OUT)	177,070	2,000
CHANGE IN NET POSITION	129,674	(69,635)
NET POSITION JANUARY 1	8,593,137	8,662,772
NET POSITION DECEMBER 31	\$ 8,722,811	\$ 8,593,137

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM RENT	\$ 1,174,675	\$ 1,117,048
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(746,196)	(770,656)
NET CASH PROVIDED BY OPERATING ACTIVITIES	428,479	346,392
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS IN (OUT)	177,070	2,000
OTHER	7,653	2,080
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	184,723	4,080
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(371,555)	(335,241)
BORROWINGS FROM OTHER FUNDS	(140,353)	(134,859)
CASH PROCEEDS FROM SALE OF ASSET	3,218	334,407
CASH PROCEEDS FROM GRANTS AND CONTRIBUTIONS	-	124,761
INSURANCE PROCEEDS	17,095	25,807
NET CASH FLOWS FROM (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(491,595)	14,875
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	2,276	1,527
NET CHANGE IN CASH AND CASH EQUIVALENTS	123,883	366,874
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	886,081	519,207
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,009,964	\$ 886,081
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ (103,445)	\$ (200,806)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	563,777	580,142
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN RECEIVABLES AND PREPAIDS	21,021	17,607
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	195	(39,482)
INCREASE (DECREASE) IN DEFERRED REVENUE	(46,092)	(21,656)
INCREASE (DECREASE) IN DUE TO OTHER FUND	-	(1,121)
INCREASE (DECREASE) IN ACCRUED TAXES AND BENEFITS	(6,977)	11,708
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 428,479	\$ 346,392
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ 4,255	\$ -

CITY OF LA JUNTA, COLORADO

PROPERTY MANAGEMENT FUND

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

YEAR ENDED DECEMBER 31, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
RENT	\$ 1,005,000	\$ 1,005,000	\$ 1,200,591	\$ 195,591
INTEREST	400	400	2,276	1,876
OTHER	27,000	27,000	53,773	26,773
TOTAL REVENUES	1,032,400	1,032,400	1,256,640	224,240
EXPENDITURES				
SALARIES AND BENEFITS	316,200	316,200	288,326	27,874
SUPPLIES	12,000	12,000	11,184	816
UTILITIES	101,600	103,600	120,011	(16,411)
MAINTENANCE	112,900	115,900	94,257	21,643
PROPERTY TAXES	10,000	56,500	48,546	7,954
GENERAL ADMINISTRATION	178,400	181,400	177,935	3,465
DEPRECIATION	600,000	600,000	563,777	36,223
CAPITAL OUTLAY	215,000	305,000	375,810	(70,810)
TOTAL EXPENDITURES	1,546,100	1,690,600	1,679,846	10,754
REVENUES OVER (UNDER) EXPENDITURES	(513,700)	(658,200)	(423,206)	234,994
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT	2,000	2,000	177,070	175,070
	<u>\$ (511,700)</u>	<u>\$ (656,200)</u>	(246,136)	<u>\$ 410,064</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			375,810	
CHANGE IN NET POSITION			129,674	
TOTAL NET POSITION JANUARY 1			8,593,137	
TOTAL NET POSITION DECEMBER 31			<u>\$ 8,722,811</u>	

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS MEMORANDUM ONLY	
			2019	2018
CURRENT ASSETS				
CASH OR EQUIVALENTS	\$ 1,557,850	\$ 1,680,101	\$ 3,237,951	\$ 3,914,161
INVESTMENTS	100,148	497,620	597,768	100,468
ACCOUNTS RECEIVABLE (NET)	5,086	27	5,113	114,905
INVENTORIES	32,465	-	32,465	42,453
PREPAIDS AND ACCRUALS	-	-	-	1,242
TOTAL CURRENT ASSETS	1,695,549	2,177,748	3,873,297	4,173,229
PROPERTY AND EQUIPMENT				
LAND, BUILDINGS AND EQUIPMENT	5,311,519	-	5,311,519	5,133,316
ACCUMULATED DEPRECIATION	(3,499,239)	-	(3,499,239)	(3,495,703)
NET PROPERTY AND EQUIPMENT	1,812,280	-	1,812,280	1,637,613
TOTAL ASSETS	<u>\$ 3,507,829</u>	<u>\$ 2,177,748</u>	<u>\$ 5,685,577</u>	<u>\$ 5,810,842</u>
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 7,100	\$ -	\$ 7,100	\$ 40,968
CLAIMS PAYABLE	-	143,000	143,000	73,000
TOTAL CURRENT LIABILITIES	7,100	143,000	150,100	113,968
NONCURRENT LIABILITIES				
ACCRUED BENEFITS	127,517	-	127,517	125,926
TOTAL LIABILITIES	134,617	143,000	277,617	239,894
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	1,812,280	-	1,812,280	1,637,613
UNRESTRICTED	1,560,932	2,034,748	3,595,680	3,933,335
TOTAL NET POSITION	3,373,212	2,034,748	5,407,960	5,570,948
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,507,829</u>	<u>\$ 2,177,748</u>	<u>\$ 5,685,577</u>	<u>\$ 5,810,842</u>

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	CITY SERVICES	EMPLOYEE BENEFIT	TOTALS MEMORANDUM ONLY	
			2019	2018
OPERATING REVENUES				
CHARGES FOR SERVICES	\$ 1,222,264	\$ 1,495,613	\$ 2,717,877	\$ 2,527,938
OPERATING EXPENSES				
PERSONAL SERVICES,				
MATERIALS AND SUPPLIES	953,963	1,726,572	2,680,535	2,031,503
DEPRECIATION	249,152	-	249,152	225,978
TOTAL OPERATING EXPENSES	1,203,115	1,726,572	2,929,687	2,257,481
OPERATING INCOME	19,149	(230,959)	(211,810)	270,457
NONOPERATING REVENUES (EXPENSES)				
INTEREST INCOME	10,917	9,436	20,353	10,028
RENT AND OTHER	28,469	-	28,469	(1,445)
TOTAL NONOPERATING REVENUES (EXPENSES)	39,386	9,436	48,822	8,583
CHANGE IN NET POSITION	58,535	(221,523)	(162,988)	279,040
NET POSITION JANUARY 1	3,314,677	2,256,271	5,570,948	5,291,908
NET POSITION DECEMBER 31	\$ 3,373,212	\$ 2,034,748	\$ 5,407,960	\$ 5,570,948

CITY OF LA JUNTA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

			TOTALS MEMORANDUM ONLY	
	CITY SERVICES	EMPLOYEE BENEFIT	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH RECEIVED FROM CUSTOMERS	\$ 1,223,198	\$ 1,605,003	\$ 2,828,201	\$ 2,417,031
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(945,049)	(1,656,572)	(2,601,621)	(2,089,088)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	278,149	(51,569)	226,580	327,943
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
ACQUISITION OF CAPITAL ASSETS	(455,024)	-	(455,024)	(403,718)
CASH PROCEEDS FROM SALE OF ASSETS	28,469	-	28,469	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(426,555)	-	(426,555)	(403,718)
CASH FLOWS FROM INVESTING ACTIVITIES				
INTEREST ON INVESTMENTS	10,655	890	11,545	10,495
PURCHASE OF INVESTMENTS	(99,174)	(489,074)	(588,248)	(100,468)
CASH PROCEEDS FROM SALE OF INVESTMENTS	100,468	-	100,468	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	11,949	(488,184)	(476,235)	(89,973)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(136,457)	(539,753)	(676,210)	(165,748)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,694,307	2,219,854	3,914,161	4,079,909
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,557,850	\$ 1,680,101	\$ 3,237,951	\$ 3,914,161
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
OPERATING INCOME (LOSS)	\$ 19,149	\$ (230,959)	\$ (211,810)	\$ 270,457
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	249,152	-	249,152	225,978
CHANGE IN ASSETS AND LIABILITIES				
(INCREASE) DECREASE IN RECEIVABLES	429	109,390	109,819	(110,400)
(INCREASE) DECREASE IN INVENTORIES	9,988	-	9,988	6,717
(INCREASE) DECREASE IN PREPAIDS	505	-	505	(505)
INCREASE (DECREASE) IN PAYABLES	(2,665)	70,000	67,335	(69,084)
INCREASE (DECREASE) IN ACCRUED BENEFITS	1,591	-	1,591	4,780
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 278,149	\$ (51,569)	\$ 226,580	\$ 327,943
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES				
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ 31,206

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	2019	2018
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,557,850	\$ 1,694,307
INVESTMENTS	100,148	100,468
ACCOUNTS RECEIVABLE	5,086	5,515
ACCRUED INTEREST	-	710
INVENTORIES	32,465	42,453
PREPAIDS	-	505
TOTAL CURRENT ASSETS	1,695,549	1,843,958
PROPERTY AND EQUIPMENT		
LAND	50,000	50,000
EQUIPMENT	3,503,996	3,357,793
STRUCTURES AND IMPROVEMENTS	1,757,523	1,725,523
ACCUMULATED DEPRECIATION	(3,499,239)	(3,495,703)
NET PROPERTY AND EQUIPMENT	1,812,280	1,637,613
TOTAL ASSETS	\$ 3,507,829	\$ 3,481,571
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 7,100	\$ 40,968
NONCURRENT LIABILITIES		
ACCRUED SICK LEAVE AND VACATION PAY	127,517	125,926
TOTAL LIABILITIES	134,617	166,894
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,812,280	1,637,613
UNRESTRICTED	1,560,932	1,677,064
TOTAL NET POSITION	3,373,212	3,314,677
TOTAL LIABILITIES AND NET POSITION	\$ 3,507,829	\$ 3,481,571

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
MAINTENANCE SERVICES AND RENTALS	\$ 846,464	\$ 845,296
PURCHASING DEPARTMENT	231,800	227,000
COMPUTER SERVICES	144,000	144,500
TOTAL OPERATING REVENUES	1,222,264	1,216,796
OPERATING EXPENSES		
MOTOR POOL SERVICES	631,371	631,023
PURCHASING DEPARTMENT	194,480	182,889
COMPUTER SUPPLIES AND TRAINING	128,112	121,886
DEPRECIATION	249,152	225,978
TOTAL OPERATING EXPENSES	1,203,115	1,161,776
OPERATING INCOME (LOSS)	19,149	55,020
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	10,917	9,080
GAIN (LOSS) ON SALE OF ASSETS	28,469	(1,445)
TOTAL NONOPERATING REVENUES	39,386	7,635
CHANGE IN NET POSITION	58,535	62,655
NET POSITION JANUARY 1	3,314,677	3,252,022
NET POSITION DECEMBER 31	\$ 3,373,212	\$ 3,314,677

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,223,198	\$ 1,215,281
CASH PAYMENTS TO EMPLOYEES AND SUPPLIERS FOR GOODS AND SERVICES	(945,049)	(921,385)
NET CASH PROVIDED BY OPERATING ACTIVITIES	278,149	293,896
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(455,024)	(403,718)
CASH PROCEEDS FROM SALE OF ASSETS	28,469	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(426,555)	(403,718)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	10,655	9,547
PURCHASE OF INVESTMENTS	(99,174)	(100,468)
CASH PROCEEDS FROM SALE OF INVESTMENTS	100,468	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	11,949	(90,921)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(136,457)	(200,743)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,694,307	1,895,050
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,557,850	\$ 1,694,307
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 19,149	\$ 55,020
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	249,152	225,978
CHANGE IN ASSETS AND LIABILITIES		
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	429	(1,010)
(INCREASE) DECREASE IN INVENTORIES	9,988	6,717
(INCREASE) DECREASE IN PREPAIDS	505	(505)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(2,665)	2,916
INCREASE (DECREASE) IN ACCRUED BENEFITS	1,591	4,780
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 278,149	\$ 293,896
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	\$ -	\$ 31,206

CITY OF LA JUNTA, COLORADO

CITY SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
MAINTENANCE SERVICES	\$ 855,200	\$ 855,200	\$ 846,464	\$ (8,736)
PURCHASING DEPARTMENT	231,900	231,900	231,800	(100)
COMPUTER RENTAL	144,000	144,000	144,000	-
INTEREST	2,000	2,000	10,917	8,917
OTHER	20,000	20,000	28,469	8,469
TOTAL REVENUES	1,253,100	1,253,100	1,261,650	8,550
EXPENDITURES				
MOTOR POOL SERVICES	649,000	649,000	631,371	17,629
PURCHASING DEPARTMENT	199,900	199,900	194,480	5,420
COMPUTER SUPPLIES AND TRAINING	129,000	129,000	128,112	888
DEPRECIATION	230,000	230,000	249,152	(19,152)
CAPITAL OUTLAY	496,000	496,000	423,818	72,182
TOTAL EXPENDITURES	1,703,900	1,703,900	1,626,933	76,967
REVENUES OVER (UNDER) EXPENDITURES	(450,800)	(450,800)	(365,283)	85,517
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS ADJUSTMENT FOR CAPITALIZATION OF FIXED ASSETS			423,818	
CHANGE IN NET POSITION			58,535	
TOTAL NET POSITION JANUARY 1			3,314,677	
TOTAL NET POSITION DECEMBER 31			\$ 3,373,212	

CITY OF LA JUNTA, COLORADO
EMPLOYEE BENEFIT CLAIM FUND
BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,680,101	\$ 2,219,854
INVESTMENTS	497,620	-
ACCOUNTS RECEIVABLE	<u>27</u>	<u>109,417</u>
 TOTAL CURRENT ASSETS	 <u><u>\$ 2,177,748</u></u>	 <u><u>\$ 2,329,271</u></u>
 CURRENT LIABILITIES		
CLAIMS PAYABLE	\$ 143,000	\$ 73,000
 NET POSITION		
UNRESTRICTED	<u>2,034,748</u>	<u>2,256,271</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 2,177,748</u></u>	 <u><u>\$ 2,329,271</u></u>

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
CHARGES FOR SERVICES-PREMIUMS	<u>\$ 1,495,613</u>	<u>\$ 1,311,142</u>
OPERATING EXPENSES		
INSURANCE	469,562	428,930
CLAIMS	1,197,954	619,141
ADMINISTRATION	<u>59,056</u>	<u>47,634</u>
TOTAL OPERATING EXPENSES	<u>1,726,572</u>	<u>1,095,705</u>
OPERATING INCOME	(230,959)	215,437
NONOPERATING REVENUES		
INTEREST	<u>9,436</u>	<u>948</u>
CHANGE IN NET POSITION	(221,523)	216,385
NET POSITION JANUARY 1	<u>2,256,271</u>	<u>2,039,886</u>
NET POSITION DECEMBER 31	<u><u>\$ 2,034,748</u></u>	<u><u>\$ 2,256,271</u></u>

CITY OF LA JUNTA, COLORADO
EMPLOYEE BENEFIT CLAIM FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,605,003	\$ 1,201,750
CASH PAYMENTS FOR PREMIUMS AND CLAIMS	<u>(1,656,572)</u>	<u>(1,167,703)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(51,569)</u>	<u>34,047</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS	890	948
PURCHASE OF INVESTMENTS	<u>(489,074)</u>	<u>-</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(488,184)</u>	<u>948</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(539,753)	34,995
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>2,219,854</u>	<u>2,184,859</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u><u>\$ 1,680,101</u></u>	<u><u>\$ 2,219,854</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ (230,959)	\$ 215,437
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN ASSETS AND LIABILITIES		
INCREASE (DECREASE) IN ACCOUNTS RECEIVABLE	109,390	(109,390)
INCREASE (DECREASE) IN CLAIMS PAYABLE	<u>70,000</u>	<u>(72,000)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ (51,569)</u></u>	<u><u>\$ 34,047</u></u>

CITY OF LA JUNTA, COLORADO

EMPLOYEE BENEFIT CLAIM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND BUDGET COMPARISON

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUES				
CHARGES FOR SERVICES-PREMIUMS	\$ 1,200,000	\$ 1,200,000	\$ 1,495,613	\$ 295,613
OPERATING EXPENSES				
INSURANCE	421,000	421,000	469,562	(48,562)
CLAIMS	750,000	750,000	1,197,954	(447,954)
ADMINISTRATION	46,500	46,500	59,056	(12,556)
TOTAL OPERATING EXPENSES	1,217,500	1,217,500	1,726,572	(509,072)
OPERATING INCOME (LOSS)	(17,500)	(17,500)	(230,959)	(213,459)
NONOPERATING REVENUES - INTEREST	500	500	9,436	8,936
CHANGE IN NET POSITION	(17,000)	(17,000)	(221,523)	(204,523)
NET POSITION JANUARY 1	2,039,886	2,039,886	2,256,271	216,385
NET POSITION DECEMBER 31	\$ 2,022,886	\$ 2,022,886	\$ 2,034,748	\$ 11,862

SINGLE AUDIT SECTION

CITY OF LA JUNTA, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2019

PROGRAM TITLE	Federal CFDA Number	Grant Number / Pass Through Number	Program Award Amount	Passed through to Subrecipients	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Passed Through the Colorado Department of Transportation					
Public Transportation for Non Urbanized Areas	20.509	19-11-5039.LJUN.620	28,000	-	28,000
Public Transportation for Non Urbanized Areas	20.509	19-11-4039.LJUN.300	50,130	-	50,128
Total U.S. Department of Transportation					78,128
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Passed Through Colorado Water Resources and Power Development Authority:					
Capitalization Grants for Clean Water State Revolving Funds	66.458	W18F413	2,490,000	-	476,828
Capitalization Grants for Clean Water State Revolving Funds	66.458	W19F426	2,490,000	-	690,524
Total U.S. Environmental Protection Agency					1,167,352
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 1,245,480

CITY OF LA JUNTA, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2019

NOTE -1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of La Junta, Colorado under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the City of La Junta, Colorado, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of La Junta, Colorado.

NOTE -2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE -3 INDIRECT COST RATES

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

NOTE -4 SUB-RECIPIENTS

No payments were made to sub-recipients in the fiscal year ended December 31, 2019.

HANCOCK FROESE & COMPANY LLC

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

Patrick A. Hancock CPA 719-688-0812
Andrew H. Froese CPA 719-980-1962

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of La Junta, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of La Junta, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of La Junta, Colorado's basic financial statements and have issued our report thereon dated May 21, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Hancock Froese & Company LLC

Rocky Ford, Colorado
May 21, 2020

HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS
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ROCKY FORD, COLORADO 81067

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

To the City Council
City of La Junta, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of La Junta, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of La Junta, Colorado's major federal programs for the year ended December 31, 2019. City of La Junta, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of La Junta, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

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

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

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

Hancock Froese & Company LLC

Hancock Froese & Company LLC

Rocky Ford, Colorado

May 21, 2020

CITY OF LA JUNTA, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

I. Summary of Audit Results

A. Financial Statements

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

B. Federal Awards

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

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Grant Number</u>	<u>Expenditures</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds	W18F413	\$ 476,828
66.458	Capitalization Grants for Clean Water State Revolving Funds	W19F426	\$ 690,524

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

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

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

IV. Prior Year Findings

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

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT	City or County: La Junta YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or Count) Prepared By: Darren Adame Phone: (719) 363-1238	

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	852,076
3. Other local imposts (from page 2)	96,388
4. Miscellaneous local receipts (from page 2)	0
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)	948,464
B. Private Contributions	
C. Receipts from State government (from page 2)	361,548
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,310,012

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	484,500
3. Road and street services:	
a. Traffic control operations	46,477
b. Snow and ice removal	11,377
c. Other	207,033
d. Total (a. through c.)	264,887
4. General administration & miscellaneous	68,406
5. Highway law enforcement and safety	492,219
6. Total (1 through 5)	1,310,012
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)	1,310,012

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,310,012	1,310,012	0	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 & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	96,388	g. Other Misc. Receipts	
6. Total (1. through 5.)	96,388	h. Other	
c. Total (a. + b.)	96,388	i. Total (a. through h.)	0
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	336,020	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	25,528	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.)	25,528	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	361,548	3. Total (1. + 2.g)	
		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
		(Carry forward to page 1)	
Notes and Comments:			